

The NATIONAL UNDERWRITER

Life Insurance Edition



JULIAN V. BOEHM, voted "Atlanta's Outstanding Citizen" by the people of Georgia's capital . . . Master of Ceremonies at the World Premier of the film version of "Gone With The Wind" . . . former president of the National Society of Magicians . . . recipient of one of the most enthusiastic testimonials the public has ever accorded a life insurance man . . . has successfully and continuously represented The Union Central for the past 38 years.

A member of The Union Central Quarter Century Field Club, composed of agents throughout the nation who have added to the lustre of the Company through 25 years or more of faithful, loyal service, Julian Boehm now receives a substantial monthly check paid under The Union Central's liberal Pension Plan for Agents.

Referring to this in a recent letter, the Beloved Atlantan wrote: "This recognition by my Company brings me a feeling of mingled joy and gratitude. My associations with Union Central Officers and fellow Agents throughout my 38 years of service have been one of the great joys of my life. This happiness could not have been attained had it not been for the consideration shown me as an Agent by The Union Central Home Office."

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Money Every Month . . . for the Agent

Through a liberal Pension Plan devised by their Company, substantial monthly checks go to qualified members of The Union Central Quarter Century Field Club who have reached retirement age after 25 or more years of continuous service. This plan means security for The Union Central Agent who has made a career of providing security.



THE *Union Central* LIFE INSURANCE CO.
CINCINNATI, OHIO

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FRIDAY, NOVEMBER 28, 1947

"Yes, I've Been to the Home Office"*

Several years ago I was invited to the home office of the company with which I was then associated. Last year I was a guest of the "Friendly" Franklin Home Office...and I do mean guest! I was amazed at the difference between the treatment I received from these two home office forces. Here are a few comparisons:

	COMPANY X	"FRIENDLY" FRANKLIN
President	Saw him at a distance. Guide pointed him out.	PRESIDENT BECKER sat down with me in his office and discussed my problems. He knows the answers too—he started his career as an agent.
Executive Vice-President	Never saw the guy.	"BILL" DUGGER is a grand fellow. Made his office my headquarters during my stay.
Secretary	Heard him speak at a banquet.	MR. FREDERICK was very cordial. He discussed frankly any questions I had the intelligence to ask.
Agency Vice-President	I actually met this bird. He shook my hand, and in the 30 seconds allotted to me, he made me feel very insignificant.	"SWED" WHALEY really gave me the business—he not only told me but showed me the actual Home Office records. This fellow is regular—he is on the ball and he is our ally.
Medical Director	Was in his office—he was away of course.	Went to lunch with DR. FINK. In this informal atmosphere, I learned many things about the Medical Department—he tells jokes.
Sales Promotion Director	The guide took me through the room with the printing presses—he didn't know any more about this department than I did.	"O'B" O'BRIEN runs a department that intrigues me—you know the minute you meet him that you are talking to a top-flight advertising executive.

*Writer's name and address on request.

Of course, there are many other departments and at the Franklin Home Office, I saw them all. Without exception, I met the top man if he was in; and without exception, I found him competent and easy to talk to. But best of all—I feel that I have some real friends at the Home Office—men who will give me and my prospects a break if they can.



The Friendly FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$500,000,000 Insurance In Force.

Prudential Executive Answers Critics on Group Extensions

**E. B. Whittaker Says
Valuable Social Service
Is Being Performed**

Answering some of the criticisms that have been made of group insurance extensions, such as union welfare programs, employees of employers belonging to an association and on groups where a contractual relationship exists, E. B. Whittaker, vice-president of Prudential, told those at the company's recent ordinary agency conference in Houston that the various new forms of group insurance which Prudential has undertaken not only added materially to its group business but provided a real social service and helped stave off cash sickness benefit plans of the Rhode Island type which would freeze out group-writing companies in the accident and sickness field.



E. B. Whittaker

Mr. Whittaker said that concern over the possibility that industry groups would try to self-insure their union welfare programs, with possible ensuing financial difficulties that would have reflected on the group insurance business was what impelled Prudential to re-examine the new type of union insurance. He said it was found that this type of coverage could really meet proper underwriting standards and furnish protection to the employees of the large and even many of the smaller businesses.

Mr. Whittaker recalled that about five years ago Amalgamated Clothing Workers of America, the first large union to put a demand for a comprehensive welfare program into its bargaining agreements, found so little response from group-writing companies that it formed its own company to handle the business. While this union is probably large enough to have a safe spread of risk, Prudential felt that if other smaller industries were to form their own companies or to self-insure, depressions and the law of accidental fluctuations would get quite a few of them into serious financial difficulties.

Would Be Serious Reflection

"This, in our opinion, would have been quite a reflection on the group insurance industry," he said. "Frankly, I cannot imagine anything worse than forcing all these industry-wide groups into self-insurance."

Discussing ways in which group can be written in connection with collective bargaining, Mr. Whittaker said one is where the employees of a single large employer gets the employer to agree to place the benefits in force. This involves no problem, as a single group policy is written. The second is where the employees of several employers, many of whom are not large enough to buy individual group policies under the law, combine to get insurance through the employers contributing a percentage of wage to a trust fund. Under the laws of some states it is permissible to issue policies to the trustees of a fund formed

(CONTINUED ON PAGE 19)

Unions, Management Disagree on the Role of Insurance in Bargaining

Recent developments have served to highlight a fundamental difference between unions and big management over whether the area of collective bargaining should be widened to include insurance and pensions. The union attitude is that insurance and pensions should be subject to annual or even monthly bargaining, discussion and change. Management holds this impossible without upsetting long range insurance and pension programs through intra-union political squabbles and creating a host of petty grievances which would upset morale rather than improve it.

In the face of a "third round" drive for wage increases by UAW-CIO which includes demands for company-paid insurance and pension plans, General Motors in effect has served notice that it feels insurance benefits don't come within the scope of collective bargaining by expanding on company initiative alone benefits under its group insurance contracts with Metropolitan.

The place of insurance and pensions in labor bargaining is the crux of two cases now being argued before National Labor Relations Board at Washington. In the cases, which involve CIO steel workers, board examiners had reported the companies guilty of unfair labor practices in not bargaining with the union about pension retirement plans and had recommended that they be ordered to bargain.

Counsel for the two companies, Inland Steel and W. W. Cross & Co., argued that the labor relations act of 1935 does not require their clients to so bargain. Inland Steel's 22,000 employees are blanketed under a company-sponsored retirement plan. The company maintains that the plan goes on from year to year and is not something that can be negotiated at every collective bargaining meeting.

Sum Up Union Position

The union contends that pensions are a form of deferred wage and therefore a condition of employment subject to collective bargaining. Retirement on a pension is really discharging an employee and the union should have the right to bargain on this subject, says the union. This is a succinct summary of the union position in all instances.

NLRB took up the cases because of the importance of the question involved despite the fact that steel workers have not complied with the registration and non-communist affidavit filing requirement of the Taft-Hartley law.

A further insight into the union position can be gained in a recent letter from Walter Reuther, UAW president, to General Motors in which he says: "For the purpose of expediting discussion of a pension program for General Motors' workers, which I called for in my Aug. 26 letter, I am sending you this preliminary statement of minimum standards which must be met under any program as far as the union is concerned."

REUTHER'S CREDO

Reuther's statement reads at one point: "The union will not waive its right under any pension plan to improve and expand such a plan from year to year through collective bargaining. Obviously this is the only sound position to take on any collective bargaining issue. It is particularly true in a field which is new and complex, such as the field of pension programs. The union cannot accept any proposal under which the employer obtains the right to terminate the pension program at an earlier time than the termination date of the agreement. The same termination date must apply to both parties to the agreement."

This letter was brought to light at the annual Institute on Federal Taxation of New York University by Meyer M. Goldstein, New York pension specialist. Mr. Goldstein notes that the two strong motivating factors which are causing a

continuation of momentum toward installing new pension and deferred distribution profit-sharing trusts are labor relations and taxes.

According to Mr. Goldstein, the Reuther credo contains the concept that pensions won in industry must represent an economic gain in addition to wage increases to the workers and not represent gain in lieu of wage increases.

Mr. Reuther's union insists that benefits provided under the plan, supplemented by federal old age benefits, must equal at least 50% of wages and should go above this figure. It seeks full credit for past service under any such plan. The UAW feels that the employer should contribute at least 60% of the cost of the program, spelled out in contract language as a specifically stated percentage of the payroll for the duration of the agreement.

Seek Joint Administration

The union insists that the jointly financed program must provide for joint administration with equal representation for the union in all decisions involving the pension plan and its day to day operation. UAW demands that adequate provision be made for protection of seniority rights and lifetime pension rights and says it cannot agree to provisions which revoke seniority rights upon retirement unless, in exchange, the workers are guaranteed adequate pension for life.

According to Mr. Goldstein, Mr. Reuther stated that any program must permit retirement age to be scaled down below 65 for workers in foundries, forge shops and other heavy jobs. However, the union says it will not agree on compulsory retirement prior to 65, when the federal old age benefits take effect, unless provision is made for retirement on a pension which is adequate without federal supplement. In cases of separations from employment for reasons other than reaching retirement age, the union states that employees must be able to realize their equity. The union insists that years of service as well as age must play a part in determining the basis of eligibility under the retirement plan.

In the letter quoted by Mr. Goldstein, the UAW president asked General Motors for an early audience upon the subject.

Ford had previously recognized the pension plan as an item for collective bargaining, but negotiations with the union had broken down because union membership would not accept a pension plan in lieu of a wage increase and has demanded that such a plan be in addition to any wage increases.

Retain Portion After 65

The new General Motors plan, effective Feb. 1, 1948, replaces a plan inaugurated with Metropolitan 21 years ago. One of the principal features of the new plan is the fact that it enables eligible employees to retain a portion of their insurance after age 65 at the cost of the company. An employee who may have to leave General Motors after 60 and who meets service requirements is permitted to continue part of his life insurance until death.

Life protection and sickness and accident coverage is reported substantially improved with additional benefits payable for accidental death and dismem-

Ill. Assn. Confab with Local, N.A.L.U. Men Stirs Interest

**State Group Creates \$10
Sustaining Membership
to Improve Finances**

By DALE R. SCHILLING

Great progress has been made in the methods of indoctrinating local association leaders, it became apparent at the unusually successful conference of N.A.L.U., Illinois and local associations' officials held in Peoria for two days last week in conjunction with gatherings of the Illinois Round Table, the general agents and managers conference and Peoria association sales congress.

J. D. Moynahan, manager of Metropolitan, Berwyn, Ill., National trustee, did a splendid job as moderator, with Earl M. Schwemm, Great-West manager, Chicago, state association president, in the chair and Jul B. Baumann, Houston general agent Pacific Mutual, N.A.L.U. chief, and P. B. Hobbs, manager of Equitable Society in Chicago, immediate past president N.A.L.U., taking part.

The Illinois association adopted a resolution endorsing the position of N.A.L.U. regarding the proper sphere for mass and individual coverage through life insurance, as outlined in the message of the president of American Life Convention to that organization in its annual meeting at Chicago early in October.

Attendance No. 1 Problem

A quick survey of questions propounded by the local officials showed the No. 1 problem is attendance at meetings; next is membership; third, finances; fourth, program; fifth, leadership, and sixth, education of members and public information.

Poll of membership of the locals showed these figures: Paid members 3,480; gain since July 1, 208; potential membership, 5,990; goal Dec. 31, 1947, 3,645; goal June 30, 1948, 3,970. L. R. St. John of Bloomington said many debit men seem to think the associations are only for ordinary agents. Mr. Schwemm explained 40% of the state association membership is debit men, but there was a feeling a more vigorous campaign should be waged to tear down any fence still remaining between the two divisions of the business. Mr. St. John feels the "industrial" appellation should be dropped since most debit men now sell much ordinary.

Not all the Illinois locals were represented at Peoria. At the banquet, C. T. Wardwell, Connecticut Mutual general agent, Peoria, second vice-president state association and membership chairman, reported in a 45-day campaign,

(CONTINUED ON PAGE 20)

berment, which may amount to as much as 50% of the employee's life insurance with a top limit of \$4,000.

The General Motors' plan provides a monthly income for a specified period for longer service employees totally and permanently disabled before age 60. Such an employee with 15 or more years in the plan has group life paid to him in 50 monthly installments. After payment of the 50th installment the employee remains insured for \$500.

Peoria Sales Congress Has Parade of Stars

An unusual program was put on at the annual sales congress of the Peoria Assn. of Life Underwriters, with distinguished leaders from the agents and companies and a noted economist as speakers, and a forum on grass-roots selling methods participated in by three successful agents of the section.

Jul Baumann, Pacific Mutual, Houston, N.A.L.U. president, took up the problem of mass coverages, which he reported in the state conference, commending Illinois Director Parkinson's forthright stand against mass selling of life insurance to unrelated individuals, expressed at the banquet, and said N.A.L.U. is for the employer-employee type of group insurance. It is against any kind of life insurance sold over the counter without benefit of the agent and the service to the public which he provides. Mr. Baumann also talked on the new Life Underwriter Training Council, which late in 1948 will start to take life insurance education to the agents throughout the country.

Mr. Baumann said most people have only a spending plan, not a saving plan, and therefore are not geared to the job of living; they fail to provide assured income for old age.

Panel of Agents

There followed the personal producers panel with three younger agents participating.

Today a farmer can sell two hogs and pay a \$100 life insurance premium. He has more dollars to put into life insurance than ever in the history of farming. It is easier to see the farmer than city men. Since he is handling many more dollars, he will be found buying quite large policies. He may have \$10,000 invested in farm equipment alone today. He has other major investments in his vocation and today may be considered as a big operator. These were the observations of Walter O. Richards of Macomb, new assistant general agent of the James Clark agency of John Hancock, Peoria.

Mr. Richards, when he decided to sell farmers, secured a county plat book, from which he was able to locate the various farms and secure much valuable information. It also assured that if he were out in the country when roads were bad he would not unwittingly get stuck in the mud, for the township map shows types of roads. He decided to work one township completely before going on to the next one. He asked a farmer his name, whether married, number of children, whether he owned his farm, and indicated this data on the map for future use.

After using the map plan for prospecting for one day he had more prospects than he could see in a week. He has used the plan for five years and it has enabled him to double his number of interviews and average size of policy sold.

Interest in the farmer's affairs, in his prize hog or heifer, is a good way to win his confidence and helps Mr. Richards to determine the type of policy needed. The farmer rarely is sold on first interview, for he likes to think over proposals calling for cash outlay.

Debit Man Gives Ideas

Next on the panel was Robert D. Waite of Prudential at Peoria, who talked on "Sales and Service on a Debit." Prompt, efficient service build the debit man's prestige. Arrears are important, for if they are kept low, lapses are minimized. Collection work also must be done systematically and thoroughly, which avoids back-calls. Prospects are secured on the service calls through friendly conversation with the householders, and also by watching for items such as births, deaths, marriages, etc., in newspapers.

Mental attitude must be good. Un-

less the agent is cheerful and optimistic he will injure his chances to sell, for his prospects are affected by the attitude which he radiates, enthusiasm or pessimism.

E. G. Zendt of the Wardwell agency of Connecticut Mutual in Peoria, leading first year agent of that company in 1945, runner up second year man in 1946, and who has just qualified for the Million Dollar Round Table, discussed "Specializing in the Urban Market." He said it's not a hard job to sit down with a man and try to solve his problems through life insurance when the agent has worked out a program for himself and bought his own merchandise. Everyone, including the agents needs the security which comes from setting aside regularly a sum which is adequate. If an agent can figure this problem out for himself he can do it for his prospects.

Income can be bought cheaper than capital can be acquired, Mr. Zendt said, and asked if any other kind of property except life insurance offered such an advantage.

ECONOMIST'S VIEWS

Business today is more vulnerable than is generally admitted, Dr. Howard R. Bowen, dean of the college of commerce and business administration of University of Illinois declared in an address on the business outlook and the life insurance industry. He avoided a prediction that a recession was certain to come. Dr. Bowen is former economist of the Irving Trust Co., New York City, and is one of the foremost men in his profession.

"There are a number of strategic factors which in combination could produce a sharp recession," he said. "These factors are a possible decline in expenditures for producers' durable equipment; termination of inventory accumulation, and also a decline in imports. And such a recession would almost certainly have a profound influence on the level and the structure of prices."

He commented that past experience gives little reason to expect a period of stable prosperity following a boom, and that the country is in the midst of a first-class boom. "So far as I know," he said, "booms have always culminated, sooner or later, in recessions. Moreover, during boom periods in the past, it has been difficult for those living at the time to believe that the boom could possibly come to an end soon."

Factors that would tend to cushion any decline in business include important deferred demands for housing, automobiles, capital equipment and other durable goods; the liquid savings of individuals; resistance of organized labor to wage cuts; government support of agricultural prices; deliberate use of fiscal policy by the federal government; low interest rates and absence of a foreseeable credit stringency; and willingness to profit from experience.

Fundamental steps of the sales process were taken up by Roe Walker, district agent Northwestern Mutual, Bloomington, qualifying member Million Dollar Round Table, whose district was No. 1 in the company last year. He said most life agents work at a very low level of efficiency. If the agent isn't satisfied with his results, it might be better to try something new. In prospecting he suggested concentrating on the man with buying power. A man never goes fishing in a dry pond.

Key-man, partnership and stock purchase insurance are much in demand now. He uses introduction cards with referred leads and asks the signer to put a personal message on the back of the card.

Few men have a really good workable system for controlling their efforts, Mr.

Walker commented. Some kind of system is essential. Use time wisely, he counseled.

Mental attitude is a powerful factor. Mr. Walker discussed building good will and told his method of sending clippings to friends relating to them. He receives many letters of thanks. The clipping is sent in a specially designed, distinctive folder-envelope.

Sales presentation finally governs success. Failure to develop the prospect's true problem is the principal cause of sales failure. A complete picture of his problem must be secured. It is important to let the prospect talk and fix his own problem. He must become conscious of it before he will be interested in doing something about it. If the preceding steps have been taken properly, Mr. Walker said, the close is automatic.

Shows Prepared Policy

He showed an old policy which he picked up from a man who lapsed it and would not reinstate. He has pasted on the various pages pictures which give his conception of what is contained in a policy: A home, a refrigerator filled with food, Santa Claus and a bag of toys, children getting ready for bed, etc. He uses this document very effectively in the interview.

Harold J. Cummings, president Minnesota Mutual Life, was the final speaker, giving his intriguing talk on "Lucky Grandpa"

spelled backward. He said the great volume of new business sold must be due mainly to present conditions, including the estimated \$200 billion national income. More people are making this largest per capita income than ever before. There have been established 15 million new families since 1940. Life agents have had no competition in the war period because there were no other things to buy. In 1939 the liquid wealth was \$50 billion and 90% of the people owned 10% of it, or \$5 billion; now 90% own 40% of the \$150 billion liquid wealth, or \$60 billion. Where the average man had \$1 in his pocket in 1939, he now has \$12.

"The conditions have changed so that there is no hope of financial security for a man or his dependents except through life insurance. Life insurance is the only piece of property I can secure today on which I will have income that is not deemed income by the government for tax purposes. Years ago the court's held life insurance reserves were not money, and therefore accretions to them are not taxed," Mr. Cummings concluded.

Robert W. Leu, Massachusetts Mutual, presided in the morning session and George C. Treadway, New York Life, association president, in the afternoon.

C.L.U. Classes Are Offered

Chicago agents preparing for C.L.U. examinations in parts C and D still have time to enroll in study classes being conducted by Northwestern University. The first class for part C convenes Jan. 15 and the initial class for part D, Jan. 12.

Class C consists of commercial and insurance laws, wills, trusts and estates, taxation and business insurance and part D classes will take up corporation finance, banking and credit and investments. Agents planning to enter one of these classes are urged to send in early registration.

Tuition fee is \$30 per class. Each class will meet in the Austin building, 111 West Jackson boulevard, from 4:15 to 5:45 p. m. Registration blanks and additional information may be secured from D. E. Trump, manager of Metropolitan Life, telephone Haymarket 8194.

Teachers Program for Chicago Dec. 29

Insurance Company Training and Medical Care in Spotlight

Insurance company training and governmental medical care programs are scheduled as the featured subjects at the meeting of American Assn. of University Teachers of Insurance at the Drake Hotel, Chicago, Dec. 29. Following the pattern of the past several years, the meeting will be a one-day program with a dinner meeting and speaker.

For the first time since the war, the teachers group is going back to meeting during the Christmas holidays. The accelerated program of many universities during the war so reduced the Christmas vacation that meetings were held late in January between semesters.

Training Programs

Prof. R. H. Blanchard, Columbia University, past president of the association, will preside at the morning session on company training. Harold Gardiner, Milwaukee, educational director Northwestern Mutual Life, will discuss a life insurance company program and H. P. Abbott, Philadelphia, director of education North America, will do the same for property and casualty insurance companies.

Following the prepared papers, the subject will be discussed by H. H. Hines, Boston, educational director Massachusetts Mutual Life, Prof. J. E. Hedges, Indiana University, and W. C. Danforth, superintendent of education Employers Liability.

Medical Care

Dr. F. G. Dickinson, director bureau of medical economic research of American Medical Assn., who was president of the teachers association when professor of insurance at University of Illinois, will discuss "Cost, Supply and Demand Problems of Medical Care" at the afternoon session. Albert Pike, Jr., New York, actuary Life Insurance Assn. of America, will speak on "Commercial Group Medical-Hospitalization Covers". J. C. Ketchum, executive vice-president Michigan Medical Service, "Medical Society and Hospital-Sponsored Plans" and W. R. Williamson, president and senior actuary Wyatt Co. "Strengths and Limitations of Non-Governmental Programs".

Past President E. L. Bowers, Ohio State University, will preside at this session. The discussion will be conducted by Dr. Elizabeth W. Wilson, Cambridge, Mass., Frank Lang, New York, research department manager Assn. of Casualty & Surety Executives and Prof. E. A. Gaumnitz, University of Wisconsin.

The annual business meeting will follow the afternoon session and Prof. S. S. Huebner, University of Pennsylvania, will be the dinner speaker. His subject will be "A Look Ahead". Prof. C. A. Kulp, University of Pennsylvania, president of the association, will preside at the dinner.

Chicago Congress, State Meeting April 2-3

The spring sales congress of the Chicago Assn. of Life Underwriters will be held April 3 in Hotel LaSalle, it was announced at the Peoria life conference by C. E. Smith, Chicago association president.

Illinois association will hold its annual meeting April 2, for an hour preceding luncheon. The Illinois Round Table is to have a session that afternoon, when also there will be a conference of agency heads sponsored by the Life Agency Managers of Chicago, with a program of outstanding talks.



H. J. Cummings

Calls Business Coverage Vital to High Production

Unless an agent does a large volume of pension business or writes more than 100 lives a year he must turn to business life insurance if he wants to keep in the high production brackets, William T. Earls, general agent of Connecticut Mutual Life in Cincinnati, told the St. Louis Life Underwriters Assn.

Speaking on the same theme he dealt with at the 1947 Million Dollar Round Table meeting, Mr. Earls said that he had found that the \$3½ million of business his agency did the first half of this year consisted of 75% business insurance by volume as well as by cases, where the sale amounted to \$25,000 or more.

Mr. Earls said that the simple sales idea is the most effective in selling business insurance and that there is no need to make it complicated unless the agent wants to impress the prospect with his erudition. Corporation dollars are the easiest to get for life insurance premiums and until the present high surtax income rates are changed there will be very few large personal life insurance cases written, he predicted.

Mr. Earls particularly emphasized the importance of key-man insurance, saying that of the 36 cases for \$25,000 or more written by his agency during the first six months of 1947 26 were business insurance cases, totaling \$1 million, and that all except six cases for \$150,000 were for some form of key-man insurance, the remaining six covering purchase and sale agreements.

LLA.M.A. to Run Six Agency Management Schools in 1948

L.I.A.M.A. will hold six schools in agency management in 1948. Two will be open to representatives of combination companies, while the remaining four are for ordinary companies.

The schedule is: Mar. 28-Apr. 9, ordinary, Hotel Coronado, Coronado, Cal.; Apr. 26-May 7, combination, Edgewater Beach Hotel, Chicago; May 31-June 11, ordinary, Thousand Island Club, Alexandria Bay, N. Y.; June 14-June 25, combination, University of Connecticut, Storrs, Conn.; June 12-July 23, ordinary, Edgewater Beach Hotel, Chicago; July 26-Aug. 6, ordinary, Edgewater Beach Hotel, Chicago.

Stever on Pension Plans

Ron Stever, general agent of Equitable Society at Los Angeles, spoke before the industrial relations section of the California Institute of Technology on "Trends in Pension Plans."

Fee to Ill. Mutual Casualty

Frank I. Fee has joined Illinois Mutual Casualty in the home office agency department. He will organize and develop the central Illinois territory.

Mr. Fee was formerly at Cleveland with Continental Casualty in the underwriting claims and agency departments.

D. C. Assn. Hears Panel

WASHINGTON—Instead of a speaker the District of Columbia Life Underwriters Assn. heard a five-man panel outline what happens to an application from the time the applicant signs, it is issued and delivered.

J. Donald Sutherland, Northwestern Mutual, discussed the agent's responsibility when writing the application and when delivering the policy. Dr. Irving Brotman, examiner for many companies, presented the doctor's side of the story. Bruce Butler, manager of the Washington office of Retail Credit explained the inspector's job. Carl Josephson, underwriting manager of the Aetna Life, described what happens to an application after it reaches the home office.

Honor Brainard on 25th Anniversary



The luncheon for Morgan B. Brainard, on his 25th anniversary as president of the Aetna Life companies, was tendered by the officers and attending were 523 members of the home office staff who have served with Mr. Brainard during the 25 years.

Vice-president J. H. Brewster, Jr., who presided at the luncheon, presented Mr. Brainard with a painting of a woodland snow scene executed by Ripley.

In the picture, Mr. Brainard (left) is shown with Mr. Brewster, Rawdon W. Myers and James B. Slimmon, vice-presidents. To the left of Mr. Brainard is the oil painting presented him.

In addition to Mr. Brewster, other officers who served on the committee which arranged the luncheon are: E. E. Cammack, J. K. Hooker, C. B. Morcom, Rawdon W. Myers, E. J. Perrin, Jr., James B. Slimmon.

Educated at Yale and Yale law school, Mr. Brainard joined Aetna Life in 1905 as assistant treasurer. He became treasurer in 1907 and vice-president and treasurer in 1910.

During his early years with the Aetna Life, Mr. Brainard was closely associated with his uncle, the late Morgan C. Bulkeley, who was president of Aetna Life 43 years.

Group Has Grown Rapidly

Mr. Bulkeley died in 1922, and, meeting in special session 10 days later the directors of Aetna Life, Aetna Casualty, and Automobile elected Mr. Brainard president. When Standard Fire was acquired in 1923, Mr. Brainard was also elected president of that company.

Amazing growth has taken place in the group under Mr. Brainard's direction. When he became president, Aetna

Says Agency System Must Be Ready for Challenges Ahead

High taxes, making it much more difficult for citizens to acquire and pass on to their heirs accumulations of property, and other economic, political and social developments of the past two decades point strongly to the fact that life insurance, and particularly the marketing end of life insurance, is charged with an increasing responsibility for public service, Charles J. Zimmerman told the Rochester, N. Y., Life Underwriters Assn.

Life had \$1 billion 204 million insurance in force. Total insurance in force, as of Dec. 31, 1946, is \$6 billion 314 million.

When Mr. Brainard became president, group insurance in force totaled \$318,085,180. Today the figure exceeds \$4 billion 100 million.

Aetna Life had a capital of \$5 million. Today it is \$15 million. Then the surplus was \$17,279,000. Today it is \$48,016,636. Assets were \$166,438,000. At Dec. 31, 1946 they were \$1,247,466,206. Substantial growth has also taken place in the other Aetna companies.

Conn. Mutual Agents Get 3,834 Leads in Swap Drive

Connecticut Mutual Life's nation-wide exchange of leads campaign among its agents, agency staff, and home office staff resulted in 3,834 leads. One individual submitted 95. The average number of leads per person was 6.2.

The leads have been received with much enthusiasm in the field and have already produced results. The campaign was planned by G. F. B. Smith, vice-president in charge of agencies; R. C. Berger, director of advertising, and W. L. Camp, III, manager of publications. A committee of the Connecticut Mutual employees' club assisted.

Guthmann Teachers Trustee

Harry G. Guthmann, professor of finance at Northwestern University, has been elected a trustee of Teachers Insurance & Annuity.

Richard Humphreys has been promoted from assistant actuary to associate actuary.

Mr. Humphreys joined Teachers in 1946, having previously been with Great-West Life and then with the Canadian insurance department. He is a graduate of University of Manitoba and is a fellow of Actuarial Society and American Institute.

U. S. Life to Quit Germany

United States Life is formulating plans for the removal of its agents from the American occupation zone in Germany following the completion of the peace treaty now under consideration by the Big Four. The company has maintained representatives in Germany since shortly after the end of the war to handle insurance for the thousands of civilian employees of the American Military Government.

20th Anniversary Dinner

Employee service records were recognized at the 20th anniversary dinner of Bankers National, Montclair, N. J., held recently. W. J. Sieger, vice-president and superintendent of agencies, presented five, 10 and 20 year service medals. R. J. O'Brien, assistant superintendent of agencies, was master-of-ceremonies. S. T. Walbank spoke for directors and Ralph R. Lounsbury, president, gave the concluding address. A guest of honor was G. R. Wilson, aviation editor New York "Herald Tribune".

The Forester

The squirrel has become a symbol of thrift because of the visible example he sets in burying his winter's food supply in the safety deposit vault of earth, and this is his harvest season. Life insurance men often point to the squirrel as an illustration to impress people with the idea of saving.

Perhaps this use of the symbol is not inclusive enough, for not all of the nuts buried by the squirrel are to be used for the winter's food. Some are for the use of the forest. Many of the trees are in the forest because a squirrel planted the nuts instead of burying them. This—whether he did it purposely or forgetfully—places him in the role of forester.

Trees have a greater role in the economy of a country-side than that of supplying food. They provide the lumber of the future and help insure the future water supply.

There is something of a lesson in this point because it is not unlike what the life insurance business does. The underwriter works to provide the present and future security of a given family. But life insurance from many angles helps the security of the whole country for the present and for the future.

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THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Prudential to Give Letter-Writing Course for Staff

As a result of almost two years of intensive research Prudential will soon launch one of the most comprehensive courses in effective letter writing ever given by management to its employees. The aim is to get away from the staid, complex, and legalistic type of correspondence often associated with the insurance business. The course will be given some 1,400 home office employees beginning in January.

Dr. Rudolf Flesch, recognized authority on effective writing and author of "The Art of Plain Talk", has been engaged as an active consultant in the development of the course. There will be eight sessions of 1 1/4 hours each. Motion pictures, slides, visual aids and a device known as a "writing yardstick" will be employed.

Company officials point out that in addition to their value as a necessary means of transacting business, these letters have a public relations value that is equally important. They believe that the way in which things are said is often as important as what is said.

Fluegelman at Watertown

The professional nature of the life agent's work was stressed in a talk by David B. Fluegelman, Northwestern Mutual, New York City, president of the New York State Life Underwriters Assn., at a meeting of the Northern New York Assn. of Life Underwriters at Watertown. George T. Maher, association president, introduced the speakers.

Today the life underwriter is beginning to be recognized as a professional man able to cooperate with other professional men in their spheres of activity, Mr. Fluegelman said. He urged agents to give first importance to the considerations of their clients.

Leitman Speaks on Detroit

DETROIT—Detroit Life Underwriters Assn. heard a talk by Rudolf Leitman, New York Life, on "Debunking The Million Dollar Producer." He entered life insurance in 1934, and in 1942 was a member of the Top Club and for the last two years has been a million dollar producer. He leads New York Life's middlewest division in paid volume.

The Accident & Health Managers Assn. of San Francisco will hold its Christmas luncheon Dec. 19.

Hensold New Head of Round Table in Peoria Rally

Harold Hensold of Northwestern Mutual was elected president of the Illinois Round Table at the annual meeting held in Peoria in conjunction with the state conference and sales congress. He succeeds Leo G. Rapp of Prudential at Chicago, who presided at the business meeting and interesting session in which a number of fine talks were given on modern selling methods.

A first vice-presidential post was created, with Nathan H. Weiss of Mutual Life, Chicago, as the first incumbent. Second vice-president is George C. Treadway, New York Life, who is president of the Peoria Life Underwriters Assn. which sponsored the congress; secretary-treasurer, Joseph Carmen, De Pau agency of Prudential, Chicago; and executive secretary, Margaret H. Becker, who also holds a similar post in the Illinois and Peoria associations.

F. Erle Cavette, Massachusetts Mutual, Peoria, was honored as the first chairman of the round table. Mr. Hensold was unable to attend as he was ill in a hospital.

Frasier Tells Methods

R. C. Frasier, Great-West Life, Chicago, gave a talk on "Today's Opportunities for the Life Underwriter", telling some of his methods. He said review of most of the programs which he has prepared has caused him great surprise at the discovery that they are outdated and utterly inadequate on account of the great increase in the cost of living. High taxes and low interest rate have had a great impact on the people and their life plans, he said.

"Programming is not merely a sales procedure," he commented, "but is a practical solution to man's problems. I have yet to meet a man who has turned down my program proposal after he had been given a clear explanation of how it would fill his needs."

Mr. Frasier uses the social security approach quite often and asks his prospect if his life insurance has been arranged to take full advantage of social security benefits. He tries to secure agreement on the point that all people live on their incomes and not lump sums. He tells the man that his widow will receive lump sum life insurance proceeds at a time when, because of her grief, she is least able to invest it wisely, and in this way emphasizes the advantages of the regular assured income features of a life policy taken in conjunction with the monthly benefits derived from social security.

Industrial Agents Talks

One of John Hancock's leading industrial agents, Arthur F. Kirby of the Caffrey agency, Chicago Roselawn district, who paid for \$520,000 total life credits in his first year in the business including \$220,000 ordinary, and in his first ten months this year has paid for \$440,000 including \$275,000 ordinary and \$46 industrial increase, talked on "Our Market Today." He says it pays for an industrial or ordinary agent to call again on people who don't answer their doorbell, for he has found these are always his best prospects. He devotes his time to a concentrated area and does much of his canvassing at night when, he has discovered, at least 90% of his sales are closed.

Better time control is a requisite in the business, he said, for it provides the industrial agent more time for night calls. Most of the day is occupied with service calls, he finds.

The final speaker was K. Raymond Clark, Chicago attorney who has worked closely with life men on taxes and estate matters, talking on "The Importance of Taxes in Life Insurance." He is an instructor in the C.L.U. course at Northwestern University downtown Chicago campus and author of books on taxation and life insurance.

Mr. Clark told of a number of Treasury reports on issues of major interest to life agents, one of which is in process relating to a method of taxing pension and income from annuities, and another on the extension of social security benefits to some groups which now are excluded, among which are life insurance agents, housemaids, etc. This Mr. Clark said, will bring up the problems of income and withholding taxes.

The Treasury also is studying the question whether or not to allow deduction of a certain amount of income spent for life insurance (the earmarking proposal of N.A.L.U.) and other forms of savings. N.A.L.U. suggests this be permitted up to \$500 annually. Report on this study is expected to be forthcoming before long. Another study is devoted to the question of having a single transfer tax for estates. The U. S. Chamber of Commerce is backing a proposal to reinstate the old \$40,000 life insurance exemption in calculation of estate taxes and also to earmark life insurance for paying the estate tax so that it shall not be subject to the tax. Mr. Clark does not hold forth much hope for either the N.A.L.U. or C. of C. proposals. These reports, Mr. Clark explained, formulate the Treasury's wishes in the matter of legislation and may be expected to influence Congress.

The COMMONWEALTH Commentary

An Acknowledgement

To Cecil J. North, retiring president of the Life Insurance Agency Management Association, we say: "Well done."

The year during which he filled his office has been a fruitful one for the organization because of the generous manner in which he gave of his time and capabilities.

Heavy as are the demands of his normal duties as Metropolitan Life's vice president, Mr. North withheld none of his energies in administering the activities of the LIAMA, attending meetings and making numerous trips to Hartford in the service of the Association.

As a member Company, and thus a beneficiary of his efforts, we take this means of acknowledging our debt to Mr. North for a task vigorously undertaken and gracefully fulfilled.

Insurance in Force October 1, 1947 — \$334,446,536

COMMONWEALTH
LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President



RAYMOND W. HILGEDAG, CO-EDITOR OF OUR ADVANCED UNDERWRITING SERVICE, HAS JUST RETURNED FROM NYC WHERE FOR THE THIRD YEAR HE WAS A GUEST LECTURER AT THE NEW YORK U. INSTITUTE OF TAXATION.

THIS IS ONE OF THE HIGHEST HONORS that can come to an estate planning and tax expert. The NYU Institute has grown in prestige and importance to the point at which this year over 400 attorneys, accountants, estate planners and tax men from 40 states were enrolled.

THE COUNTRY IS COMBED FOR LEADING LIGHTS in these fields and the fact that Mr. Hilgedag made his third appearance is a tribute to his sound and accurate thinking. His lecture this year dealt with the subject of the tax status of deferred compensation plans. Our Advanced Underwriting Service members are receiving his discussion as a part of the November mailing.

BUT WHY SHOULD I DISCUSS MR. HILGEDAG'S SOUND ABILITIES WHEN THOUSANDS OF MEMBERS OF THE ADVANCED UNDERWRITING SERVICE HAVE COME TO DEPEND UPON HIS THOUGHTFUL AND CONSERVATIVE ESTATE PLANNING COUNSEL.

THE INSURANCE RESEARCH & REVIEW SERVICE
INDIANAPOLIS

PAUL SPEICHER
Managing Editor

November 28, 1947

Some of the insurance companies have the tendency to be conservative and to have the negotiating coverage for their company group of business and the item of business should be standardized. The business is not to be a standard business who is as much as these of the some of the metropol aware that are willi employee leverage business closer to The g standard will tail an assu modified broker no posi he may the cus One which g der to g they w Experie dends a of beati petition

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Brokers Object to Competitive Slicing of Fees on Group

Some of the brokers who write group insurance in the large cities have been complaining that there is an increasing tendency on the part of the employers and insurance company group men to shave the brokerage commission in their negotiations over installation of group coverages. The producers maintain that their commissions are small enough on group business and should not be an item of bargaining between the customer and the insurance company. They claim that company group men could and should prevent violation of commission standards of their companies on group business and that the commission should not be subject to the whim of the buyer who is out to cut the cost of group as much as he can.

These complaints are symptomatic of the intense competition existing on some of the "target" groups in the large metropolitan centers. Employers are aware that some insurance companies are willing to bargain to get a risk. The employers know they have considerable leverage, they can always take their business elsewhere and get something closer to what they want.

The group field is a comparatively unstandardized one and many companies will tailor-make any sort of a policy for an assured. Where the commission is modified in the tailoring process, the broker may be caught. He is really in no position to object too vehemently or he may be squeezed out altogether by the customer.

One of the most common concessions which group companies will make in order to get a risk is to increase the limits they will write on any one individual. Experience rating formulas and dividends are often manipulated as a means of beating out other companies on competition.

W.O.W. of Omaha Makes Changes

OMAHA—Richard H. Abernathy, 39, Tennessee manager for the last 2½ years, has been appointed training director of field representatives by Woodmen of the World Life, and will move to national headquarters here. He had been Tennessee manager since 1945, and previously was Illinois manager for seven years and later juvenile department manager in the head office here.

A native of Texas he was employed in a wholesale jewelry store and then a bank in Dallas before joining his father in operation of a hardware store. In 1934, he became a field representative of W.O.W. and in the first nine months wrote applications for more than \$700,000 of insurance. He was promoted to district manager within three months.

He was head consul of Illinois jurisdiction in 1941 and was appointed to the

legislative committee of the sovereign camp in 1947.

Farrar Newberry, Jr., 35, South Carolina manager for the last five years, will succeed Mr. Abernathy as Tennessee manager. He has had eight years' experience with the society's field force and for three years was a district representative at Greenville, S. C., before being appointed state manager at Columbia in 1942.

W. Lewis Spearman, assistant South Carolina manager, succeeds Mr. Newberry as manager.

Mr. Spearman, 33, is a native of Greenville, S. C. Before joining the W.O.W. field force as district represen-

tative in his city, he had several years' experience as salesman.

Clark Says Prosecution of Mail Order Firms Proceeds

Attorney General Tom Clark, in addressing the convention of Indiana Assn. of Insurance Agents, departed from his manuscript at one point to say that the Department of Justice will carry forward vigorously its campaign of prosecution of mail order insurers alleged to be operating beyond the pale of the law. He remarked that the first two indictments were against companion insurers

of Indiana, they being Guarantee Reserve Life and Guarantee Life.

Mr. Clark said that believers in the American tradition must oppose and expose every vicious restraint upon freedom of enterprise. "And, by the way, I might mention that those companies which use the mails to defraud, selling policies which promise much and give nothing, can expect no mercy from our Justice Department. Those who have no intention of delivering value for value received—and I do not refer to the fine group of companies which you Indiana agents represent—are not going to be permitted to continue to operate. . . ."



AWARD FOR EXCELLENCE

TOPS in its field! That is the honor awarded the Analograph at the recent annual exhibit of Life Insurance Advertisers.

In the field, too, underwriters report enthusiastically about the Analograph's striking redesign, so capably executed by famed industrial designer Walter Dorwin Teague.

Finally, in that most important of all tests, the new Analograph is rapidly proving its ability to produce increased sales—playing a vital role in helping to make 1947 the Mutual Benefit's greatest year in well over a decade.

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

ORGANIZED IN 1845



NEWARK, NEW JERSEY



Viewing one of the exhibits at the recent L.I.A.M.A. meeting: Holgar Johnson, president Institute of Life Insurance, John Marshall Holcombe, Jr., managing director L.I.A.M.A., and Grant Hill, vice-president Northwestern Mutual Life.

Old Line of Wis. Is Changing to C. S. O. Reserve Basis

MILWAUKEE—Effective Dec. 1, Old Line Life will adopt the C. S. O. 1941 mortality table and will value all policies on the commissioners reserve valuation method, with interest at $2\frac{1}{4}\%$ for participating and $2\frac{1}{2}\%$ for non-participating plans.

Company officials point out the change to the new table had little to do with the change in rates, as this latter was the direct result of lower interest rates. It is merely a coincidence that the two happened simultaneously.

In general, lowering the interest rate has had the effect of slightly more than offsetting the use of a mortality table more favorable to the insured. On the average, there will be some increase in premium, particularly on higher reserve plans, the premium increase being compensated by substantial increase in cash values.

Applications, parts I and II, dated prior to Dec. 1, 1947, will be issued at current rates, but such policies must be

paid and delivered prior to Jan. 1, 1948. Failures to do so will necessitate recalling and reissuing on the new basis.

Other changes provide that any premium for the balance of the policy year in which the insured dies will not be deducted in settlement of the claim, with the exception of retirement and optional annuity policies, but will be retroactive to cover all existing insurance with the same exceptions.

In many instances, non-forfeiture values are available at the end of the first policy year. Disability provision No. 2 has been discontinued. Postmortem dividends now have been changed to include the fractional part of the year.

The new family maintenance policy, previously made up of the term portion and the whole life portion in two parts, now is one unit in itself. While term policies will be issued on a non-participating basis, they will be convertible to either participating or non-participating.

Ten, 15 and 20 year term policies now will be written as individual policies, and the practice of issuing them as supplemental to a regular policy will be discontinued. A definite broadening of underwriting rules now makes term insurance available for rated as well as standard risks.

Commissions on conversions of life

expectancy policies will be treated the same as other term policies.

Liberalization of provisions provides that juvenile policies will be in full force and effect at age 1, paying \$25 at age 0.

Application forms will include inquiry directed toward the automatic premium loan provision.

New policies added are endowment at age 60, 15 year and 20 year term. Forms discontinued are double protection at 65 and 30 year endowment.

In line with the company's desire to liberalize policy provisions whenever possible, the highly favorable option D, which is on the basis of $2\frac{1}{2}\%$, has been retained. Options A, B and C are on $2\frac{1}{2}\%$.

Name A. L. C. State Vice-Presidents

R. B. Richardson, president of American Life Convention and of Western Life of Montana, has announced the appointment of the following 45 state and provincial vice-presidents of A. L. C. to serve through 1948:

Alabama—Frank P. Samford, Liberty National; Arkansas—Elmo Walker, Union Life; California—Francis V. Keessling, West Coast Life; Colorado—W. L. Baldwin, Security Life & Accident Company; Connecticut—Millard Bartels, Travelers; Delaware—A. A. Rydgren, Continental American; District of Columbia—H. W. Kacy, Acacia Mutual.

Florida—S. Kendrick Guernsey, Gulf Life; Georgia—J. Lon Duckworth, Life of Georgia; Illinois—R. M. Clark, Continental Assurance; Indiana—E. Kirk McKinney, Jefferson National; Iowa—E. M. McConney, Bankers Life; Kansas—H. O. Chapman, National Reserve; Kentucky—Morton Boyd, Commonwealth; Louisiana—E. J. McGivney, Pan-American.

Maine—Rolland E. Irish, Union Mutual; Maryland—Stanford Z. Rothschild, Sun Life; Massachusetts—Byron K. Elliott, John Hancock; Michigan—Lee J. Treanor, Michigan Life; Minnesota—H. P. E. Skoglund, North American Life & Casualty; Mississippi—W. Calvin Wells, Lamar Life; Missouri—P. B. McHaney, General American; Montana—F. E. Young, Western Life of Montana.

Name Putney in Nebraska

Nebraska—W. W. Putney, Midwest Life; New Hampshire—John V. Hanna, United Life & Accident; New Jersey—C. M. Shanks, Prudential; New York—F. D. Russell, Security Mutual; North Carolina—Julius C. Smith, Jefferson Standard; North Dakota—F. L. Conklin, Provident Life of Bismarck; Ohio—George W. Steinman, Midland Mutual.

Oklahoma—Joe D. Morse, Home State Life; Oregon—R. R. Brown, Standard of Portland; Pennsylvania—Jay N. Jamison, Reliance Life; South Carolina—Francis M. Hipp, Liberty Life; South Dakota—F. L. Bramble, Midland National; Tennessee—J. F. Finlay, Interstate Life & Accident; Texas—C. F. O'Donnell, Southwestern; Utah—George J. Cannon, Beneficial Life.

Virginia—R. V. Hatcher, Atlantic Life; Washington—D. M. Morgan, Northern of Seattle; West Virginia—Frank K. Rader, Conservative Life; Wisconsin—James H. Daggett, Old Line Life; Ontario—S. C. McEvenue, Canada Life; Quebec—Arthur B. Wood, Sun Life of Canada; Manitoba—H. W. Manning, Great-West Life.

Convict Am. Farmers Agents

Convicted of taking subscriptions in Ontario for American Farmers of Arizona, Willis Gillam and Felix Platten-dorff have been given \$20 and costs or 30 days in jail at London, Ont. Neither was licensed nor is the insurer.

British Columbia has joined with Ontario and Alberta in an effort to stop operations of American Farmers. Superintendent Taylor of British Columbia issued a warning that anyone found soliciting for the company in that province will be prosecuted.

Ill. Bankers Life Old Policyholders to Get Stock

Circuit Judge Miner at Chicago has now issued an order providing for the distribution of one share of stock of Illinois Bankers Life for each \$500 of face amount of insurance in the old Illinois Bankers Life Assn., predecessor assessment company, that was in force Nov. 19, 1929. This stock will go to those who held such policies at that time, or, if they are now dead, to their heirs.

The order does not become final until 30 days elapse. At Nov. 19, 1929, there were some 74,000 policyholders and \$109 million insurance in force. This would indicate the distribution of some 220,000 shares if all hands can be located.

This distribution is to be made in satisfaction of the judgment which was obtained in behalf of those policyholders by Attorney Vernon Loucks of Chicago. It was held that the late Hugh T. Martin, A. T. Sawyer and others, by deviant transactions, used funds belonging to the policyholders of the assessment company to organize the stock company with themselves as owners.

In the final judgment, it was found that Martin and Sawyer did invest a certain amount of their own funds in the stock company and hence the Martin and Sawyer estates are to receive \$320,000.

Lawyers Claims Reviewed

Mr. Loucks has claimed as his fee one-third of the value of the company which would be about \$1 million based exclusively on surplus to policyholders. Some six or seven other attorneys have claimed sums totaling about \$400,000. These various claims are being reviewed by a panel of three judges, and it is expected claims will be drastically cut.

The present capital consists of \$200,000 comprised of 2,000 shares of \$100 par value stock. It is now proposed to reduce the par value to \$1 per share and thus create 200,000 shares. Additionally there would be issued 125,000 new shares in the nature of a stock dividend, to be charged against surplus.

It has been indicated that Mr. Loucks may be willing to accept stock in the company in lieu of cash and if so a block of the shares would be assigned to him. Also, it is likely additional shares besides the 200,000, will be needed to take care of the distribution of stock to policyholders of the assessment company.

The stock now is held by Attorney Charles O. Rundall of Chicago as trustee. When the amount to be paid to the lawyers is adjudicated and the other expenses are totted up along with the \$320,000 for the Martin and Sawyer estates, it is proposed to declare a cash dividend on the stock while it is still held by Mr. Rundall as trustee. He will then make the distribution to these interests and thereafter the shares will be distributed to the old policyholders.

A number of income tax questions are involved in the various transactions and advices from the internal revenue bureau are now awaited.

Judge Miner in his order stated that the distribution of stock to the policyholders will preserve to them the full value of the assets including the potential or future worth of assets for which there is no current market such as oil and mineral rights, good-will, latent earning power, value of insurance in force, agency organization and other intangible assets. It will protect the policyholders from danger of a sale of stock to "undisclosed buyers of unknown purpose which would subject to speculation the welfare and security of over 100,000 policyholders. . . . It will also enable the company to continue to be domiciled at Monmouth and operate under its present name.

No fractional shares shall be issued.

Policies for Individuals, Families, Groups

Life.

ACCIDENT, HEALTH, HOSPITALIZATION

Lifetime, Accident & Sickness Contracts
Over Age, Accident & Sickness Contracts
Hospital, Sickness Policies (various limits)
New Participating Policy Contract

RESERVE LOAN LIFE

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Test Pa. Community Property Law Role in Insurance Case

Constitutionality of the Pennsylvania community property law, which became effective Sept. 1, was attacked before the Pennsylvania supreme court in Philadelphia in connection with a test suit involving the loan value of a Penn Mutual life insurance policy.

The case arose out of the application for a policy loan by Mark Willcox, Jr., a lawyer, on a policy which had been assigned to him by Shippen Lewis, an associate, without consideration. The latest premium had been paid by Mr. Lewis after the Sept. 1 effective date of the law and out of income which he received from a trust fund established by his grandfather.

Penn Mutual declined to lend the money on the ground that since the premium had been paid in part out of community property, his wife had a vested interest in it. Mrs. Lewis joined in the suit and contended that a husband has no right to give away community property without the wife's consent and then only when the gift is in support of the marriage.

P. A. Bregy, an associate of Lewis and Willcox, argued that income from separately owned property, that is, property owned by the husband or wife before marriage or before Sept. 1, 1947, or obtained later by gift, inheritance or as compensation for personal injury, is not to be considered community property. He asked the court to hold the act unconstitutional unless such a ruling could be given.

Amicus Curiae Takes Part

R. T. McCracken, who appeared as amicus curiae, declared that there is no rule or principle under which private property can be taken from one person and transferred to another for the private use and benefit of such person, whether by general law or specific enactment. He also attacked the law as impairing the rights of creditors.

Robert Dechert, counsel of Penn Mutual, pointed out that all life companies have a considerable interest in the outcome since thousands of policyholders will be affected. He contended that the law clearly intends income from separate property to be community income and argued that any other interpretation would be to nullify the law's intent, since where the wife's income is greater than the husband's it would increase rather than lessen the couple's total income tax liability. He also argued that the husband's right to manage and control community property standing in his name is limited only by the restriction that he should take no step that is hostile to his wife's interest, such as giving property away to a mistress.

Attorney-General Chidsey of Pennsylvania defended the law's constitutionality, both as protecting Pennsylvania from unjust and discriminatory taxation and as placing the marital relationship on a new and exalted level which, he argued, should more than offset any incidental gains or losses by citizens. These, he said, must be borne for the greater good of all the people.

Klein Alumnus

Another successful alumnus of the Adolph R. Klein agency of Home Life at Chicago is John F. Paquin, who has just been made manager of his own agency there. Mr. Klein has developed two managers and three assistant managers in the past three years.



Congressmen Demand VA Explain NSLI Surplus

Representative Brophy and Speaker Martin, Republican congressmen, in separate statements have asked the Veterans Administration to explain reports of a \$2 billion overcharge in insurance premiums which is being held. Apparently they refer to a surplus accumulated on GI insurance. The VA has stated that it is anxious to pay the dividends as soon as it can determine the amount of surplus and to whom it

will be paid. The VA has maintained all along that the U. S. Supreme Court decision in the Zazove case which has held so far that under one settlement provision the beneficiary is entitled to the face value of the policy plus interest every 10 years will delay the payment of the dividend.

The new veterans administrator, Carl R. Gray, Jr., has served notice that he intends to lose no time in coming to grips with the numerous and complicated insurance problems with which VA is now confronted.

Guilty of Annuity Fraud

John R. Moore, Milwaukee insurance broker, was given a one to five year sentence for accepting \$2,500 from a prospect for an annuity policy and converting it to his own use. The prospect, Luke Zurawski, a Milwaukee waiter, had such faith in Moore that failure to receive a policy even after more than two years had elapsed did not arouse any misgivings. None of the money was paid to any company and the receipt which Moore gave was of the type obtainable in any stationery store.

What's Wrong With This Statement?

*"If I see enough people
I will make sales."*

Well, there's nothing wrong with the statement exactly — it just doesn't go far enough. Connecticut Mutual agents, on the other hand, like to enlarge the statement — complete it, you might say — so that it reads:

*"If I see enough people
who know me and my service,
I will make more sales."*

One important way in which the Connecticut Mutual helps its agents increase their prestige and acquaintanceship is to make available to them a complete personal advertising service. During the past year, for example, Connecticut Mutual agents used:

- 247,933 Direct Mail letters
- 450,000 copies of ConMuTopics, Jr., (a small newspaper containing the agent's picture and imprint.)
- 180,000 Prestige Builders (a series of mailing pieces awarded those who attain membership in the Dependables.)
- 95,000 Wall calendars
- Plus many thousand booklets, pamphlets, blotters, etc. designed to assist the agent in every phase of the selling job.

The wide array of "advertising assistants" at his disposal makes it possible for the Connecticut Mutual agent to plan his own program of personal advertising. The result, more and better interviews, and more sales.



The CONNECTICUT MUTUAL
LIFE INSURANCE COMPANY • HARTFORD

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FE INSURANCE

Much Interest Is Found in Office Staffs' Education

NEW YORK — J. H. Kohlerman, educational director of Life Office Management Assn., has returned from an extended tour of the midwest, during which he visited 66 life companies and spoke to 30 executive and employee groups. He said life company officials are taking increasing cognizance of the economic and public relations value of educational programs for their home and field office employees. At most companies which Mr. Kohlerman visited, top management is actively promoting the L.O.M.A. Institute courses and participated in many of the meetings he conducted. For example, at American Mutual in Des Moines President E. B. Mountain called his entire



J. H. Kohlerman

organization together for a half hour to hear about the L.O.M.A. program. Statistics gathered by Mr. Kohlerman indicate a large increase in 1948 enrollments over those of the past year, when 2,075 students wrote 3,756 examinations. Some of the reasons are enrollments of returning veterans who waited until this year to resume their life insurance studies, stabilizing of personnel conditions in certain companies, the institute's new study aids, and the various methods adopted by companies to encourage student participation. Of the companies visited, about two-thirds pay expenses of examinations and cost of books for successful students; 46 companies are providing class instruction, six partly or wholly on company time. An increasing number of companies pay cash awards or salary increases.

Another development reported by Mr. Kohlerman was the activity this year among field office employees. In cities with home offices, the latter usually invite students from all local branch offices to attend their study classes. Also, cashier study groups have been formed in Indianapolis and Chicago. A class at Fenn College, Cleveland, is expected to start about Feb. 1. A number of colleges have classes based on the L.O.M.A. syllabus, University of Cincinnati allowing one point of college credit for

each class which prepares for an L.O.M.A. Institute examination. It is expected that a second college will put the courses on a point basis soon. A deterrent to advanced students has been the lack of class instruction in advanced courses and the Actuarial Club of Chicago is endeavoring to organize a cooperative educational plan for Chicago companies.

Guardian Issues Answer Booklet on Shift to CSO

NEW YORK—Guardian Life will on Jan. 1, go to the CSO table with 2½% interest and the field force has been instructed to accept no applications for the present policy series after Dec. 13. Guardian is also introducing two new policies, "Family Guardian 65", a combination of ordinary life and term to 65; and a life income endowment maturing at age 55, similar to the present life income endowments at 60 and 65.

In connection with the change the company has held a series of agency meetings to introduce the new rate book and policies. Agency Vice-president Frank F. Weidenborner has also distributed a question and answer booklet covering the more important questions policyholders and agents have been asking about the coming changes. Fifteen questions concern the reasons for the general changeover to the CSO basis, lowering of interest rate assumptions and increase in premium rates. The rest deal with policies and rules.

The new Family Guardian 65 is sold in units of \$5,000 or more and includes enough term insurance to take full advantage of the lower CSO term rates. This gives a combined premium designed to make the policy helpful in situations calling for maximum protection over a considerable number of years for each dollar of premium outlay. Conversion of the term portion at the attained age will be permitted up to age 60. If not converted the term portion stops at 65. Disability income of \$10 per \$1,000 and double indemnity may be applied for on the full amount, including the term portion.

Because of technical difficulties presented by some of the new laws, Guardian has discontinued its automatic convertible term policy and will replace it with five year convertible term.

In juvenile policies used outside New York state, where the full death benefit is now payable at age 5, the age requirement is being reduced and the full benefit will be payable at the age 1.

Rosenthal St. Louis Captain for N. A. L. U. Convention

ST. LOUIS—Adam Rosenthal of General American Life has been named general chairman of the 1948 N.A.L.U. annual convention to be held here.

Mr. Rosenthal served as a member of the executive committee for the golden anniversary convention which was held here in 1939. He has been a leader in association activities for many years. He is past president of both the St. Louis and the Missouri associations and currently is national committeeman of both organizations. He is also past president of St. Louis General Agents & Managers Assn. Mr. Rosenthal is manager of one of General American Life's St. Louis agencies.



Adam Rosenthal

Ross to Security Mutual

Security Mutual of Binghamton has appointed Clarence A. Ross general agent in mid-town New York City. He is a graduate of Rutgers and was on active duty with the navy until recently.

Colonial Marks 50th Anniversary at N. Y. Banquet

A gala celebration in New York City marked the 50th anniversary of Colonial Life. The company's annual convention was timed to coincide with it. Approximately 600 attended the reception and dinner.

President Richard B. Evans was the presiding officer. E. J. Heppenheimer, founder and now chairman, was the principal speaker. Mr. Heppenheimer reviewed the history of the company with particular emphasis on his reminiscences of the early formative years.

Entertainment was provided by several acts from well known Broadway night clubs, Arthur Stanley's orchestra and the Colonial choral group.

Telephone arrangements enabled field representatives in other cities to hear the program at branch office dinners.

Attendance of agents and managers was based on a point system. The top 75 agents and 30 field managers were invited to attend the banquet along with all general managers and staff members of the Jersey City home office.

President Holgar J. Johnson of Institute of Life Insurance was the guest speaker at the luncheon which got the convention under way. He talked on the individual agent's importance in the realm of public relations.

That afternoon L. W. S. Chapman of L.I.A.M.A. talked on the changed selling conditions which agents face, stressing the advisability of sticking to a definite plan of action and not switching from one idea to another. He said that companies face the problem of proper distribution of life insurance and must devote more time to small and moderate income groups.

Charles J. Zimmerman, L.I.A.M.A., spoke at the second day's luncheon. He told of the association's operations and listed some of the reasons why insurance must be sold to the public rather than merely being made available to those who will take the initiative in buying it.

Nearly 100 Attend Sales Congress at Salt Lake City

Nearly 100 accident and health men from Utah, Idaho, Nevada and Wyoming attended the annual meeting of the Utah A. & H. Club at Salt Lake City. There was an excellent roster of speakers, including several officers of the National association.

Walter M. Jones, Business Men's Assurance, presided, and Persyl Richardson, president, welcomed the delegates.

Gilbert Knight, Cleveland, president of the National association, spoke on "A Blue Print for Progress." He cited the growth of the business and the broadening of policy forms as an example of how insurance has developed to fit the needs of the public.

O. J. Breidenbaugh, Indianapolis, executive secretary of the National association discussed the need of greater education for agents. Robert J. Costigan, Business Men's Assurance, Kansas City, talked on "Answering Objections."

F. Edward Walker, Mutual Benefit H. & A., presided at the luncheon, at which Dr. A. Ray Olpin, president University of Utah, spoke.

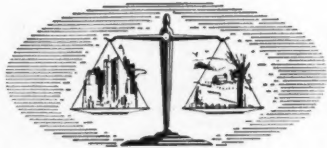
D. C. Stephens, Security Life & Accident, was in charge of the afternoon session. Eugene F. Gregory, B.M.A., Denver, first vice-president National association, discussed closing arguments. Mr. Costigan led a panel discussion of five salesmen from Utah and Idaho to close the session.

On Mutual Benefit Editorial Board

NEWARK—August C. Hansch, assistant sales promotion manager Mutual Benefit Life, has been appointed to the editorial board. He succeeds Paul T. Rotter, who has been promoted to assistant mathematician.

FIDELITY

THE COMPANY BACK OF THE CONTRACT



BALANCED GEOGRAPHIC MARKET

ONE of the greatest tests of a life insurance company is the diversity of the great markets and people it serves.

A sound balance among metropolitan, town and rural areas is essential for continued successful operation and healthy growth.

Fidelity has that balance . . . general agencies in thirty-six states serving so many people so well that since 1941 our insurance in force has increased from \$382,940,982 to its present more than \$510,000,000.

The
**FIDELITY MUTUAL
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA



Mass Selling Discussed at N. Y. State Mid-Year

The problem of mass selling of life policies was discussed at the midyear meeting of the New York State Assn. of Life Underwriters in Schenectady and after a floor debate the matter was referred to the general committee for further study. A report will be made by this committee or, if further study is required, it will be referred to a special subcommittee.

It was decided by the 69 delegates representing the 23 local associations of the state to reissue the organization's booklet describing its history and containing the association's constitution. Also, on the agenda were mid-year reports of local associations and discussion of the ceiling level of savings bank insurance.

Clancy D. Connell, general agent of Provident Mutual, New York City, was the principal speaker at a luncheon given by the Schenectady association during the state meeting. He spoke in particular to new members on the history of the state association.

Will Attend Hearing

Robert L. Hogg of American Life Convention and Frank L. Rowland, Life Office Management Assn., will attend as observers the hearings opening Dec. 2 in Washington before the administrator of the fair labor standards act on proposed amendments to regulations defining executive administrative and professional employees and employees employed in local retailing or as outside salesmen.

The hearings are the result of a petition filed by United Electrical, Radio and Machine Workers of America asking for a requirement that an employee to qualify as an executive, administrative or professional employee must be compensated on a salary or fee basis of not less than \$500 a month. Proposals for other changes will be considered.

Uren Named Supervisor

OAKLAND—Frank W. Dedman, general agent here for New England Mutual, has appointed James W. Uren as supervisor, replacing Gordon E. Crosby, Jr., who becomes agency manager at Seattle. Mr. Uren has been Oakland manager of Manhattan Life of New York. Before entering insurance in 1942 he was a public school teacher in

Honored on 80th Year



JOHN J. KING

John J. King was guest of honor on his 80th birthday at a luncheon at the Drug & Chemical Club in New York. Mr. King is chairman of Hooper-Holmes Bureau and for many years was president.

About 30 guests attended the party, given by his four sons and his son-in-law.



Among those at the recent L.I.A.M.A. meeting in Chicago: Left to right: Lee Cannon, agency vice-president Western Life; William R. Davis, III, director of ordinary agencies Commonwealth Life; Roger Hull, vice-president Mutual Life; M. Allen Anderson, director of ordinary agencies, Texas division, American National.

Oakland. He was with Equitable of Iowa for four years as an agent in Oakland and served in the navy during the war for four years. He graduated from University of California in 1934 and received his master's degree in 1935. He is a charter member of the Oakland-East Bay Quarter Million Dollar Round Table.

Work on Draft of Proposed Insurance Code for La.

NEW ORLEANS—Wade O. Martin, Jr., secretary of state of Louisiana, and the staff of his insurance department, are engaged in the preparation of a proposed insurance code to be submitted to the 1948 legislature in accordance with the provisions of act 211 of 1946. It is Mr. Martin's purpose to prepare this code and have public hearings early in 1948, before its introduction and submission to the legislature.

G. F. Purvis, Jr., deputy insurance commissioner, states that the department has already solicited from all interested parties any suggestions which they might have with respect to the contents of the new code.

Considerable assistance is being given by the Chicago law firm of Ekern Meyers & Matthias.

Need Not Fear Recession

MUSKEGON, MICH.—So long as sales practices do not degenerate, life companies and agents have little to fear from an early economic recession, H. B. Thompson, director life and fraternal division, Michigan department, told the Muskegon Life Underwriters Assn. If business decline occurs in 1948, he said, the life business is ideally pre-



pared. Economists seem agreed there will be no such business disaster as took place in the 30s, yet even then the loss to life policyholders from company failures was less than a tenth of 1%. The companies' position today is incomparably stronger than in 1930, he said.

ON THE WAY TO PROMOTION

The Lincoln National Life agent with ambition to become a General Agent knows there are opportunities aplenty right with his own company. He knows this because 41 of the Company's General Agents have been promoted from the ranks.

Lincoln National's promotion policy provides another reason why the recent Job Satisfaction Study showed exceptionally high satisfaction among representatives of this Company.

LNL is geared to help its field men.

Its Name Indicates Its Character



The
LINCOLN NATIONAL
LIFE INSURANCE COMPANY

Fort Wayne 1, Indiana

EDITORIAL COMMENT

"Pencil Sharpening" to What Point?

"Pencil sharpening" by group writing companies is no new thing, but apparently in some of the larger centers it has passed the bounds of discreet competition. There have, for example, been complaints on the part of brokers that in bargaining with employers, company group men often suggest considerable cuts in the broker's commission to beat out other companies on a risk. Producers express bewilderment over the lengths to which some companies will go to place a group case on their books. Employers are on to the tricks of haggling over group benefits with the company men to get "bargain rates." There are obvious animosities between certain company representatives which apparently have sprung from sharp practices in this field.

Of course the line between fair competition and sharp practice is a thin and debatable one. It seems to us, however, that the problem of defining this line is one that should be given some thought in the group field. Bitter competition has engendered bitter resentment of some producers against insurance companies and customers. The customer can't fail to sense ill will and this is the worst kind of internal and external public relations for the insurance industry.

This is not to suggest that companies do anything to stifle healthy competition on group business. It is a refreshing-

ly wide open field and it is to keep it so that discretion must be exercised to keep it from gaining the onus of being "cut throat." Nor can the cure of the situation be effected on the local level alone. Local representatives are responsible to the home office and presumably all their moves are made with the approval of their home offices. Therefore, it would seem that home office group management should set standards of ethics which it will not permit its people to violate. This might mean the losing of a few group cases to less discriminating companies at the first, but the end result would be to finally restore the respect which some employer-customers seem to have lost for the insurance companies with which they deal.

At the local level, more cities might follow the lead of those where associations of group field men have been formed, often in conjunction with associations of agents. The company men in these organizations meet with each other on a friendly basis to discuss problems common to them all. When these clubs are first organized there are plenty of hard feelings to swallow, but the members soon find it hard to hold rancor against men who make interesting luncheon companions. These associations sow the seed of professionalism within members and stress professional ethics.

PERSONAL SIDE OF THE BUSINESS

Marc Law, associate general agent of Mutual Benefit Life in Chicago, is in Los Angeles for about 10 days installing a pension trust plan covering 100 employees.

John L. Watts, Chicago general agent of Pacific Mutual, was tendered a dinner party on his 35th anniversary with the company. Among the guests were Mr. Watts' two sons, John L. Watts, Jr., general agent, associated with his father, and Robert E. Watts, general agent at Kansas City. Vice-president William M. Rothaermel attended from the home office.

The agency force concluded a six week drive for business in Mr. Watts' honor and at the dinner presented him new business in excess of \$1 million, evidence of which was in the form of a memorial plaque. He also was the recipient of a fine wrist watch from the agency staff.

Mr. Watts for many years was manager of the eastern railroad department at Chicago before being named general agent.

Dr. N. J. Barker, associate medical director of Connecticut General Life, has completed 20 years with the company. Educated in medicine at the University of Toronto, he did post-graduate work at Toronto General Hospital before joining the company. He became assistant medical director in 1928, and associate director in 1945.

Paul J. Gelpi, Jr., unit manager of Equitable Society at New Orleans, passed the \$1 million mark in personal paid for production early in October. Since Oct. 18 he has submitted applications for more than \$500,000.

Robert W. DePau, district manager of Prudential in Chicago, this week is taking a short vacation in Orlando, Fla., visiting with Robert Walker, manager for Peninsular Life and past president of the Florida Assn. of Life Underwriters.

A banquet was held at Richmond to celebrate the 35th Pacific Mutual anniversary of Joseph E. Garland, Virginia state manager, with about 75 present.

O. H. Whitten, assistant manager, was toastmaster. Guests included Commissioner Bowles of Virginia and W. M. Rothaermel, vice-president of Pacific Mutual. More than 40 telegrams of congratulations were received from fellow general agents and other friends.

Lester O. Schriver, Peoria general agent of Aetna Life and past president of N.A.L.U. and Illinois Assn. of Life Underwriters, for the 19th consecutive year was host in his city Saturday to his agency staff and "lost, strayed or stolen" visitors attending the state life conference and sales congress there. Among the guests were P. B. Hobbs, Equitable Society manager, Chicago, immediate past president of N.A.L.U., and Joy M. Luidens, executive secretary Chicago association. Harold J. Cummings, president Minnesota Mutual Life, was to have attended but found pressing engagements which even prevented him from having lunch that day.

DEATHS

Victor Smith, Head of Confederation Life, Dies in London

President Victor R. Smith of Confederation Life, one of Canada's most prominent life insurance executives, died in London, Eng. He was president of the Canadian Life Officers Assn. in 1934-36 and headed the American Institute of Actuaries in 1937-38.

After receiving his bachelor's and master's degrees from Trinity College, University of Toronto, he was with MacKay, John & Co., chartered accountants, from 1905 to 1908, joining Confederation Life in 1908 in the actuarial department. He became assistant actuary in 1914 and actuary three years later. He also became assistant general manager in 1929 and general manager in 1932. He gave up actuarial duties in 1936 and became a director. He was a past president of the Life Insurance Institute of Canada and an associate of the Institute of Actuaries of Great Britain and the Actuarial Society of America.

Mr. Smith's non-insurance posts included president of the Canadian Club of Toronto, member of the advisory committee for Canadian unemployment insurance, vice-president Canadian Dental Hygiene Council, member of the Canadian Tuberculosis Assn. executive committee, member of the executive corporation of Trinity college, vice-chairman of the Canadian chamber of commerce executive committee, chairman of the Ontario regional committee of the Canadian chamber, director of Bell Telephone of Canada and Consumers Gas Co.

Albert C. Lefebvre, 61, representative

of New England Mutual Life in Manchester, N. H., died of a heart attack in Rochester, N. H. He had been with the company for 28 years.

C. Preston Dawson, Pension Expert, Dies

C. Preston Dawson, 45, general agent in New York City for New England Mutual Life and one of the foremost authorities in the pension trust field, died suddenly in White Plains, N. Y., of coronary thrombosis.

One of the best-known authors and speakers on life insurance and known throughout the business as "Pep," he personified his nickname. During the past few years he was frequently called to Washington for consultations on taxation problems pertaining to pension trust work.

Mr. Dawson was born in Lewisburg, Pa., and graduated from Bucknell College in 1924, cum laude, and joined the former L. A. Cerf, Sr., agency of Mutual Benefit Life in New York City, later becoming manager of its mid-town branch. In 1932 he left the agency, which by then had been taken over by William H. Beers and Charles De Long, to go with Mr. Beers, who opened a new New York City agency of New England Mutual, Mr. Dawson becoming production manager. He was taken into partnership in 1938 and assumed full charge the following year. The Dawson agency has grown rapidly into one of the company's largest and now has more than \$60 million in force.

Mr. Dawson was recently elected president of New England Mutual general agents association. He was a C.L.U., a trustee of Bucknell College, and was active in local and national life underwriters association work.

J. W. Scherr, H. & A. Leader, Succumbs

J. W. Scherr, chairman of Inter-Ocean of Cincinnati, died unexpectedly at Holmes hospital there Tuesday at the age of 71. He was born at Maysville, W. Va., and became a clerk in the West Virginia department, becoming deputy in 1900.

In 1910 he became general manager of Consolidated Casualty of Louisville and president in 1912. Upon the merger of that company with Inter-Ocean Casualty in 1917 he became president of the combined institution. He had been chairman since 1946. He was president of H. & A. Underwriters Conference in 1927.

A son, J. W. Scherr, Jr., is vice-president and secretary of Inter-Ocean and a brother, Harry Scherr, is general counsel.

Joseph D. Cassidy, 69, Western & Southern superintendent of agencies for division C when he retired after 36 years' service in 1941, died at his home



C. P. Dawson



V. R. Smith



J. L. Watts

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in Laveen, Ariz. Starting at South Bend, Ind., in 1905, he became district manager at Dayton, manager at Cincinnati Park in 1928, and in the same year was appointed to the position which he held when he retired.

John B. Alexander, 37, chief assistant insurance commissioner of California since last June committed suicide at his home in Oakland. Strain of his heavy duties since assuming this responsibility was given as one cause. He had been in the insurance business since 1938, starting at Seattle with Hartford Accident. In 1942 he succeeded Cecil Lloyd in San Francisco with that company and also succeeded him as assistant insurance commissioner when Mr. Lloyd resigned to join U. S. F. & G.

E. M. Berger, 70, who retired three years ago as manager of the Prudential's Chicago No. 9 district after more than 30 years' service, died from a heart attack. He was past commander of a Spanish-American War Veterans camp in Chicago and was interred with full military honors.

Mr. Berger had retained his membership in the Chicago Assn. of Life Underwriters on an active basis and attended meetings and took an active part in the work. He helped to organize the Red Cross fund drive in the association last year.

Charles E. Brewer, Sr., 75, who retired in July, 1946, as assistant secretary of Mutual Benefit Life, died at his home in Chatham, N. J., after a heart attack. He joined the company 58 years ago as a member of the mathematical department. A son, Charles, Jr., is general agent of Mutual Benefit at Charlotte, N. C.

Howard C. McDermott, 48, examiner in the New York department for almost 20 years, was killed when struck by a hit and run automobile in Hempstead, L. I. He had alighted from his car to check some mechanical difficulty when the hit and run car crashed into him. His two daughters were injured slightly.

Ray L. Hermes, 37, cashier of the San Antonio agency of Jefferson Standard Life, died following a five weeks illness. He joined the San Antonio agency 19 years ago as a youngster out of business college and that was his first and only job.

John C. Piver, founder of "Underwriters' Report" of San Francisco, who died last week after a long illness, was one of the best known insurance figures on the Pacific Coast.



J. C. Piver

Value Placed on Employee Relations Boosts Pensions

The importance now attached to employee relations in industry is the most significant development in the thinking on employee retirement plans and from this viewpoint a retirement plan must be recognized as a sound business proposition and a profitable investment for an employer, said E. D. Gardner, vice-president of Chase National Bank of New York City, in his talk at the American Management Assn. insurance division meeting in Chicago.

He attacked as erroneous some generally accepted conclusions about retirement and profit sharing plans. The facts do not support the opinion that interest developed in such plans largely after enactment of the 1942 revenue act. Bureau of revenue figures show that the number of participants added in retirement plans after 1942 is less than 39% of number before that date.

Bans Taxing Noncontributory Plans

Another misconception is that enactment of the excess profits tax law resulted in a large proportion of non-contributory plans. Statistics do not support this conclusion, he said.

More employees are under trust fund retirement plans than are under group annuity agreements, he said. But there are more group annuity plans in effect than trust fund plans.

Mr. Gardner discussed the eligibility requirements established in various plans. So called "excess" plans which provide benefits for salaried employees exceeding \$3,000 a year income are not satisfactory, he said. A number of such plans are now being amended to extend coverage to lower salaried employees. Usually 70% to 80% of employees of a corporation earn less than \$3,000.

Employees generally believe normal retirement ages should be 65. Polls of employees show they desire protection from temporary disability, hospitalization, medical and surgical costs, permanent disability, death and superannuation. Normal retirement age should be set at a time when superannuation will exist in the majority of cases, Mr. Gardner stated.

I. L. Willis, vice-president International Harvester, said employers are more and more aware of the damage to morale that occurred when pension plans were discontinued after the government stepped in with social security. He suggested that it is imperative that management supplement social security with employee retirement plans to adequately cushion discontinuance of pay. He suggested that the employer should contribute 60% of cost of retirement program and should not think of a pension program as a gift to employees. In bargaining, management ought not to discount the real needs and desires of employees. Get a good honest employee reaction to your retirement program, he advised.

Charles E. Burns Resigns as Vt. Commissioner

Charles E. Burns has resigned as commissioner of banking and insurance of Vermont effective Dec. 1. He is becoming business manager for Bishop De Goesbriand hospital at Burlington, Vt. A successor has not yet been named. Albert Pingree is deputy commissioner for insurance and is the man that insurance people look to in the department.

UOPW Canadian Action

TORONTO—United Office & Professional Workers, A.F.L., has called a Quebec-Ontario conference to plan action against Metropolitan for alleged wrongful dismissal of a Montreal agent, Harry Mills, an employee of the company for 15 years. The union claims he was fired for his union activities as treasurer of the Montreal local. The union charges that the Quebec labor relations board bowed to the power of the company in calling off hearings.

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Great Southerners are backed by a Company whose entire program is designed to further their careers as successful life underwriters.

The Company training program covers every phase of the individuals requirement in the field of life insurance, from basic selling to advanced training for C. L. U. examinations. Company cooperation and supervisory counsel are directly with the individual representative. Great Southern policy contracts include every form of life insurance protection for both individuals and groups. Great Southern territory is a rich field with rising incomes and increasing population.

Men and women interested in building successful careers as life underwriters are invited to communicate with the Great Southern.

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Life

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REINSURANCE

LIFE — ACCIDENT — HEALTH

ALLIANCE Life



INSURANCE COMPANY

Ray E. Button, Reinsurance Director

Chicago

District Directors Named

Five district directors of the New England Mutual Life C.L.U. Assn., have been appointed. Bruce Bare is president. The directors are W. Watson House, Hartford; Earle W. Brailey, Cleveland; Thomas C. Nicholls, Jr., New Orleans; Robert B. Edwards, Omaha, and Millard A. Samuel, Portland, Ore.

To Address Managers

Dr. John P. Foley, Jr., associate director of the industrial division of the Psychological Corp., will speak at the recruiting seminar of the Life Managers Assn. of Greater New York Dec. 17. Eugene C. Kelly, Jr., manager of agencies Home Life of New York, who was scheduled, is unable to attend. Dr. Foley was formerly assistant professor of psychology and director of the experimental laboratory at George Washington University.



Let us be thankful for our American heritage of justice and liberty . . . for our freedom of worship and speech . . . for our standard of living unequaled in the world.

Let us show our gratitude by continuing to encourage men and women to be self reliant and provide economic security for their families through Life Insurance. Let us help to preserve this American "Way of Life".

BENEFICIAL LIFE INSURANCE COMPANY

GEORGE ALBERT SMITH, President SALT LAKE CITY, UTAH

NEW ORLEANS IN NOVEMBER

Members of the Counselors' Club of the Indianapolis Life Insurance Company held their 1947 Convention in New Orleans.

Recreation, inspiration, instruction, Fellowship—each in rich measure, were in store.

Greatly Increased Membership

The number of men qualified for the Convention was much greater than for any previous year in the Company's history. Membership requires not only a substantial volume of new business, but also high persistency of business and good service.

OFFICERS—who elected themselves by their production during the club year, include:

Nate Kaufman, Shelbyville, Indiana, President

Edgar T. Russell, San Antonio, Texas, First Vice President

Ernest Herzog, Minneapolis, Minnesota, Second Vice President

INDIANAPOLIS LIFE MEN are given thorough training, and consistent, helpful retraining. They are CAREER UNDERWRITERS, who are building a rapidly growing list of clients.

Indianapolis Life Insurance Company

Indianapolis 7, Indiana

Agency opportunities in Port Arthur, Texas; Corpus Christi, Texas; Davenport, Iowa; Toledo, Ohio; Springfield, Illinois; and some other choice cities in Indiana, Illinois, Ohio, Minnesota, Michigan, Texas, and Iowa.

A. H. Kahler
Vice President and
Superintendent of Agencies

Edward B. Raub
President

AMONG COMPANY MEN

Leo Sexton Directs Franklin Life's Industrial Sales

Franklin Life has appointed Leo Sexton manager of district agencies, with complete charge of industrial division sales. His headquarters will be in San Antonio.

Mr. Sexton for the past 15 years has been with John Hancock in various capacities, starting in 1932, after winning international athletic fame as Olympic shot-put champion in that year.

Beginning as an agent in New York City, he was promoted to assistant district manager, district supervisor, home office supervisor of field training, acting regional manager in Chicago, and finally regional manager in Detroit.

Franklin's industrial division now has slightly under \$55 million in force. Under Mr. Sexton's supervision industrial operations will be expanded and a comprehensive training system will be set up. Mr. Sexton is the son of William P. Sexton, who prior to his death in 1937 had completed 40 years in the life insurance business, the last 20 as manager for John Hancock in Brooklyn.



Leo Sexton

Acacia Mutual Engages Schmuck

Acacia Mutual has named as general counsel Edward J. Schmuck, general counsel of National Assn. of Life Underwriters. Nathan A. Clark has been named secretary and Maurice M. Thompson, assistant secretary of Acacia.



E. J. Schmuck

Mr. Schmuck has been with N. A. L. U. for two years, starting as attorney when he left the army, later becoming general counsel. He will join Acacia on Jan. 1. A native of New York, he received his legal training from Fordham university and in 1933 became assistant to the general counsel of Manhattan Railway Co. He resigned later to establish his own practice much of which included insurance law, taxes, and estate management.

In 1941 he went on active duty as a first lieutenant in the army. He rose to lieutenant colonel of the general staff corps and assistant chief of staff for third army.

Mr. Clark has been with the company for 20 years, starting as a clerk in the actuarial department and then transferring to the underwriting department. He presently heads the policy department.

Mr. Thompson has been 15 years in Acacia personnel work. He has been supervisor of the personnel department for eight years.

Penn Mutual Advances Two in Mortgage Dept.

Allen C. Thomas, Jr., has been appointed assistant manager of mortgage loans of Penn Mutual Life. A graduate of Haverford College and University of Pennsylvania law school, he has been a member of the law department since 1942, having served as assistant counsel the past three years. Before going into

life insurance he was law secretary to Chief Justice Kephart of Pennsylvania then entered law practice with his father and for three years was a member of the legal staff of Home Owners Loan Corp.

Benjamin McVey has been appointed chief appraiser in the mortgage loan department. He has been 35 years with the company and in the mortgage department evaluated many of the larger mortgage offerings, his territory including Philadelphia, Washington, Pittsburgh, Cleveland and Cincinnati.

Atlantic Life Elects Legal, Medical Officers

Atlantic Life has elected Robert W. Corstaphney, Jr., attorney and Dr. Robley D. Bates, Jr., assistant medical director.

Mr. Corstaphney, a Virginian, graduated from William and Mary College and received his law degree from University of Virginia law school in 1934. He was attorney in the Maryland Casualty home office in Baltimore from 1934 to 1942. He was in the navy from 1942 to 1946. He served in the Pacific area. Prior to joining Atlantic Life, Mr. Corstaphney was an attorney on the staff of the general counsel of the U. S. maritime commission.

Dr. Bates' Experience

Dr. Bates, also a Virginian, graduated from University of Richmond, and received his medical degree from Medical College of Virginia in 1934. After six years of post-graduate work, Dr. Bates entered private practice in Richmond, specializing in internal medicine. He was in the army four years, devoting about a year to research on malaria. He served in the China-Burma-India theatre. He resumed private practice in Richmond in 1946, again specializing in internal medicine.

Returns to Canada



Donald M. Tudhope, supervisor of field service of Columbus Mutual Life, will leave shortly to go with National Life of Canada as head of its group department. He was formerly with National of Canada and joined Columbus Life a few years ago to take charge of its advertising and publicity department.

Permanent position with progressive Chicago legal reserve life insurance company for young man who can qualify as home office life underwriter. Good opportunity for advancement. Address N-95, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

LIFE AGENCY CHANGES

Hancock Opens 2nd L. A. Agency; Saul Forms Partnership

John Hancock Mutual is opening Dec. 1, a second Los Angeles general agency, headed by Charles L. J. Fee, while Harold G. Saul, general agent there since 1925, has taken Edwin R. Joos into partnership.

Mr. Fee graduated from University of California in 1922 and since 1945 has been Pacific coast group manager of John Hancock. He has been with John



C. L. J. Fee



E. R. Joos

Hancock since he opened the Los Angeles territory for the group department in 1931. He will have E. V. Linsenbard as associate general agent. Mr. Linsenbard, who has had 13 years of insurance experience at Los Angeles, was formerly with the H. M. Leisure agency of Occidental of California and returns to the insurance business from industrial relations and sales management work.

Mr. Joos has been with the home office as supervisor of field sales and has been with the company all his business life, having started with the Minneapolis agency. He attended the Pasadena Jun-

ior College, was in the class of 1933 at University of Minnesota. He was promoted to the general agency department at the home office in 1941.

The present agency will continue at 510 West Sixth street. The Fee agency will be at 530 West Sixth.

Contl. American Appoints Mitchell Buffalo Manager

Continental American has appointed Donald C. Mitchell as manager at Buffalo. He is the son of Dr. C. A. Mitchell, million dollar producer formerly with the Clay Hamlin agency of Mutual Benefit Life in Buffalo. Following his graduation with honors from Nichols preparatory school, Mr. Mitchell attended Cornell and the Roger Babson Institute. He was business manager of the Cornell student publication and was on many committees. He is also a graduate of the management school of L.I.A.M.A.



D. C. Mitchell

Joined Father's Agency

After leaving the armed forces in 1943, he took up life insurance selling under his father's tutelage. In 1944 he was appointed general agent in Buffalo for United States Life. He made a fine record in personal production and in the training of new agents. He is active in civic affairs and was awarded the diamond key for meritorious service by the Buffalo junior chamber of commerce.

G. D. Farrington to Albany for New England Mutual

New England Mutual Life has appointed George D. Farrington, agency supervisor in Newark, as manager in Albany. Robert L. Cummings, general agent for seven years, has asked to be relieved of executive duties but will continue as associate general agent, devoting his time to his personal clientele.



G. D. Farrington

Mr. Farrington, who graduated from the University of Pennsylvania's business school in 1933, joined the home office of Penn Mutual and received training in actuarial, auditing and underwriting procedures. In 1936 he went to Grand Rapids as agency cashier for three years before taking on supervision and personal production work. He was appointed a district manager in 1941. He joined New England Mutual's Philadelphia agency in 1943 but in six months entered the army transportation corps and served in the South Pacific. Returning to civilian life in 1946, he joined New England Mutual's Newark agency as supervisor, recruiting and supervising new men.

Mr. Cummings attended North Carolina State College, entered life insurance as a John Hancock agent in 1933. He joined New England Mutual two years later and worked in New York and Newark until 1941, when he was appointed general agent in Albany. He is a C.L.U.

American H. & L. Changes

American Hospital & Life has transferred Jack R. Frost, supervisor at Houston, to Austin to succeed W. H. Miller, who desires to devote his entire

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IN YOUR ORGANIZATION



Just what does Connecticut General's "extra man" offer to a busy brokerage office?

Take your own office . . . perhaps this morning you would like a sales presentation to show a client on a 10 payment retirement insurance contract with all premiums discounted . . . or the answer to a technical question on a pension plan . . . your Connecticut General man would have it in your hands promptly. The saving in your time is obvious. Our service for brokers has one aim . . . to bring to bear on a broker's problems every facility of the Connecticut General organization, including underwriting, actuarial, legal and other specialized advice available through its Advisory Bureau. It is a service worth investigating . . . to obtain it, you need only call your nearest Connecticut General office.

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LIFE INSURANCE COMPANY
HARTFORD, CONNECTICUT



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LIFE INSURANCE, ACCIDENT AND
HEALTH INSURANCE, SALARY
ALLOTMENT INSURANCE AND AN-
NUITIES ALL FORMS OF GROUP
INSURANCE AND GROUP ANNUITIES

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LOUIS LIPSKY, President

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General Agencies Available in New York, New Jersey, Delaware and Washington, D. C.
For further information write to HARRY YARIN, Vice-President and Superintendent of Agencies

Can you answer "YES" to the following questions?

1—Want to make a connection with a growing midwest life insurance company?

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5—Willing to work eight hours a day?

Then write:

Guardian Life
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START THE LOG Rolling

Ask today about our

Q·V·S Compensation Plan

- 1 Performance bonus . . . Pays extra dollars MONTHLY for business that stays . . . to Field Underwriters who stay.
- 2 builds substantial renewal income twice as fast during the early renewal years.
- 3 Carries Life Time Service Fee.

THE CAPITOL LIFE Insurance Company

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HOME OFFICE—DENVER, COLORADO

WHICH WAY WILL THE WIND BLOW NEXT?

Life Assurance anticipates unexpected change . . . it safeguards those endangered by unpredictable events.

Protect your family today by becoming a policyholder in Canada's leading life assurance company.



SUN LIFE OF CANADA

FOR
SECURITY

time to personal production. R. P. Mc Crew is transferred from Waco, Tex., to Shreveport, La., to open an office there, the company having been licensed in Louisiana. O. G. Scott goes from Kansas City to Waco as manager.

Assign Dohse to Brooklyn

E. C. Dohse, assistant manager of Prudential at Waukegan, Ill., attached to the Evanston, Ill., office, has been promoted to the Brooklyn No. 6 office as district manager. He is past president of the Lake County (Ill.) Life Underwriters Assn. Mr. Dohse has been in the life insurance business since 1927 and assistant manager at Waukegan since 1934. Previously he was an agent in the Evanston office after selling life insurance for the company in Chicago.

He replaces Henry Mehlman, who retired recently after being with Prudential 40 years.

Dixon Joins Lebbey

Thomas S. Dixon has joined the staff of W. E. Lebbey of Los Angeles, state manager of Massachusetts Indemnity, as agency supervisor. For 10 years he has been with Occidental Life in the home office and as field supervisor.

Peninsular Life Shifts

G. C. Martin, district manager of Peninsular Life at Albany, Ga., has been made manager at Jacksonville, Fla. P. R. Battle succeeds him as Albany district manager and A. W. Talley becomes assistant manager there.

Eilbracht at Danville

Lee Eilbracht of Danville, Ill., has been appointed district agent there by Reuling & Williamson, Peoria general agents of Massachusetts Mutual Life. He is a University of Illinois graduate.

Opens Binghamton Agency

Manhattan Life has opened an office in the Press Building, Binghamton, N. Y. B. Frank Wood of New York City is general agent.

SALES MEETS

State Farm Managers in Ill. Meet at Peoria

A gathering of 27 Illinois district managers of the State Farm companies of Bloomington was held at Peoria last week during the annual state life conference and sales congress. N. Eric Bell, Illinois director of the State Farm group, took part and Ray Daniels, assistant state director, presided. This was the managers' annual conference.

Jul B. Baumann, general agent of Pacific Mutual in Houston who is president National Assn. of Life Underwriters, and Earl M. Schwenm, Great-West Life, manager, Chicago, Illinois association president, gave talks.

Alliance Life Illinois Agents Gather

Alliance Life held a gathering in Peoria last week of its Illinois agents with B. T. Kamins, vice-president and agency director, and Ehrhardt H. Wagner, actuary, attending from the home office and speaking. Frank Shimmins, the Peoria general agent was host.

Mr. Kamins talked on the opportunities now existing for writing life business among farmers, and Lawrence R. Cardwell, general agent at Rockford, also discussed rural business. There was a morning and afternoon program, with a luncheon and banquet.

Pacific National Roundup

Returning from the convention of Life Insurance Agency Management Assn. at Chicago, Kenneth W. Cring, superintendent of agencies, Pacific National Life, spoke at Cheyenne to a joint

agency meeting of the Wyoming and Colorado agencies. J. Milton Olsen, Wyoming manager, and James L. Hawley, Colorado manager, were hosts.

During the morning session, Mr. Cring outlined the new rates and policies the company is adopting Jan. 1. In the afternoon successful sales talks were given by numerous representatives and Mr. Craig gave an outline of the new training program. At the banquet, Mr. Cring talked on "Americanism."

Midwest Roundup Dec. 12-13

Midwest Life agents will hold their "Forty-Million Round-up" at Lincoln, Neb., Dec. 12-13. Business written to Nov. 30 and paid for by Dec. 6 will count for qualification.

Ernest L. Smith of the Magees clothing store, Lincoln, long a director and executive committeeman of Midwest Life and now president of the Lincoln chamber of commerce, will speak on "The Citizen Salesman."

Seminar at Okla. City

Forty agents from Oklahoma City, Tulsa, Little Rock, Ark., Liberal and Dodge City, Kan., attended a two-day seminar sponsored by William P. Stagg, Oklahoma manager of New York Life. Joseph Herring from the home office and Earl Howbert of St. Louis conducted the classes.

ACCIDENT

Report of Results of A. & H. Industry Survey

The importance of a continuing and practical public relations program was considered one of the most significant problems in the accident and health insurance industry, according to results of the "industry survey" undertaken by the Disability Insurance Joint Committee last summer, as reported at a meeting of the committee in Chicago. The committee, a liaison group composed of members from company and agents' associations, polled a representative cross section of the disability insurance business, including home office executives, insurance department officials, general agents, managers and producing agents.

Other questions raised by the survey show that underwriting, claim procedure and agents' training were listed as being important areas in which need for study by the industry is indicated.

Recommendations for broader and more liberal policy coverages consistent with sound underwriting practices were received from 90% of the home office officials, 50% of the general agents, and 33% of the producing agents reporting. Of this entire group, 11.8% felt that insuring substandard risks is an important problem.

Claim procedures also received attention from all levels of the industry. Further development of intensified training programs for agents was listed as a major problem by the general agents participating in the survey.

The questionnaire was designed to find out what the industry itself thought are the three greatest problems of health and accident insurance today. Analysis of the results reveals that there was a crystallization of opinion regarding the problems of the industry and a composite picture of the tabulation presents a clear indication that in general various segments of the business agree on specific problems.

Resumes Personal Accident Statistical Collection

Bureau of A. & H. Underwriters is resuming collection of accident insurance loss experience as of Jan. 1.

This collection, begun in 1931, was discontinued during the war years.

The personal accident statistical plan has been revised and simplified by the committee, headed by Harry V. Williams of Hartford Accident and has been

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distributed to companies. Later consideration will be given to the resumption of compilation under the statistical plan for health policies.

This collection is the only one of its kind on American risks. Its value to members in the past has proven to be inestimable. Manager J. F. Follmann, Jr., states, "Today, with certain insurance commissioners expressing keen interest in accident and health loss ratios, the collection should become of ever increasing value and assistance to the commissioners as they approach this problem."

A. & H. Man's Job Is to Sell Guaranteed Income

Walter F. Schmitz, accident and health supervisor of Occidental Life, addressed the Los Angeles Accident & Health Underwriters Assn. on "Modern Sales Methods."

He said less than 30% of the people carry disability insurance and a smaller number carry hospital insurance. He said accident and health men should not be in the business simply to sell hospital coverage. They should, he held, sell their prospects a guaranteed livable income. He told the agents it is their job to get out, see people, and prevent government action. He remarked that a lot of the accident and health men go out and build up a fantastic structure without selling a guaranteed income to the prospect. Selling a guaranteed income is the only method of properly selling disability insurance. The blunders of the salesmen, he declared, are giving some of the insurance departments considerable concern.

He defined a good prospect as one who has the ability to pay and is in good health. Having such a prospect, the agent should talk additional life insurance as well as disability. Pointing out that some life policies provide for waiver of premium, he declared that waiver of premium is only partial coverage because, while it does waive premium payments, it does not cover payment of income, and that is where trouble comes in. Accident and health insurance, he said, pays more claims than any other line of insurance.

Underwriting Kidney Cases

The November meeting of the home office accident and health underwriters round table of Chicago, with J. T. Helverson, Washington National, as chairman, was devoted to a discussion of diseases of the kidneys and urinary tract.

Conditions under which risks having a history of these diseases might be accepted for accident and health insurance and the forms of riders suggested were reviewed.

The next meeting will be held Dec. 11, with Jack Olson, Combined Mutual Casualty, as chairman.

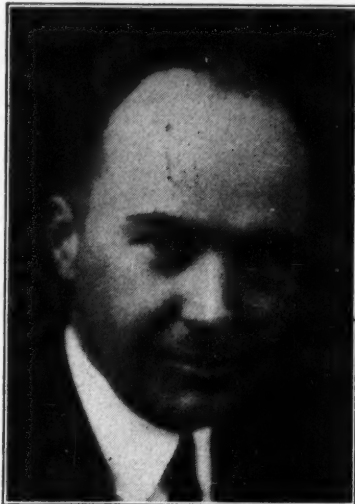
Howe P. Cochran, attorney and tax specialist, addressed a meeting of Washington Life Insurance & Trust Council.

Delmar Olson, assistant counsel for Mutual Trust Life spoke on "Important Phases of Partnership Insurance" at a luncheon of the Madison Assn. of Life Underwriters. He also spoke at a breakfast of the Madison chapter of the C.L.U.

C. L. U.

Good Heads Newly Formed San Diego C. L. U. Group

The San Diego chapter of Chartered Life Underwriters was inaugurated at a meeting addressed by Dr. John P.



LARA P. GOOD

Williams of the American College of Life Underwriters. Officers of the new chapter are Lara P. Good, Prudential, president; James H. Coyne, Prudential, vice-president; John H. Goodwin, Equitable Society, secretary-treasurer. Directors are Clark W. Smith, Prudential; John G. Darling, Northwestern Mutual; A. Mason McNeil, Occidental of California; William A. Fowler, Northwestern Mutual; William A. Scroggs and Floyd Cadwell, Mutual Life.

New Charter for D. C. Chapter

At the November dinner meeting of the District of Columbia C.L.U. chapter Loehl O'Brien and George Link reported on the regional conference of the American College. Plans were made for advanced study in estate planning, tax and business insurance.

President C. W. O'Donnell appointed committees in accordance with recently revised by-laws. George Haines announced that the new charter for the chapter as a non-profit corporation would be completed soon.

Award Diplomas at Buffalo

At a joint luncheon meeting of Buffalo Life Underwriters Assn. and Buffalo C.L.U. Chapter, C.L.U. diplomas were presented to Lewis C. Slesnick, Prudential, and Albert E. Thompson, Metropolitan Life, by Clifford S. Bennett, director of the American Society of C.L.U.

Reverse Okla. Group Ruling

The University of Oklahoma is authorized to purchase group insurance for students taking flight training and to pay premiums from enrollment fees, according to a reversal of an opinion previously handed down by the attorney general's office.

1907 Fortieth Year 1947

ORDINARY LIFE
INDUSTRIAL LIFE
INDUSTRIAL HEALTH AND ACCIDENT
CREDIT LIFE
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A NEW COMMISSION CONTRACT

- 1. Attractive First Year Commission —**
Graded scale up to 55% for Ordinary Life.
- 2. High Renewal Commissions —**
Vested. Four renewals — 15%-10%-5%-5%.
- 3. Bonus Arrangement —**
Production of over \$175,000 — 10% payable monthly second year.
- 4. Service Fee —**
Beginning sixth year and life of contract — 2% service fee.
- 5. Other Features —**
No production requirement to earn vested renewals. Policies liberal. Life, Double and Triple Indemnity, Non-cancellable Sickness, Accident, Hospitalization and Nurse Benefits.
- 6. Company —**
New Hampshire's only life insurance company. Average size policy issued 1947 — \$5,748. Low terminations. Attractive brokerage arrangements.

For particulars write to WM. D. HALLER,
Vice President and General Manager

UNITED
LIFE AND ACCIDENT
INSURANCE COMPANY

Concord, New Hampshire



AGENCY MANAGEMENT

Mature Men Found Best as Recruits

Recruits in their late 30s are a better bet than those in their 20s, said Herbert C. Skiff, secretary of Phoenix Mutual Life, addressing the Midtown Managers Assn. of New York City. Mr. Skiff said he has come to the conclusion, in comparing veterans and older men, that the most productive new agents are those

whose age is about 36. The average veteran considered was 29 and did not come up to the standard set by the more mature men.

In financing the manager must keep a careful check on the man's progress. If he does not show marked development after a reasonable time it is inadvisable to keep him. Managers of Phoenix Mutual use a "curve of progress chart," based on the records of successful agents, to keep abreast of their men's activities. After a period of years the

managers have found that it is financially unsound to hold an agent if his production falls to 60% or less of what he should produce as indicated by the chart. A new agent usually will begin to show in his second month whether or not he will be successful.

Phoenix Mutual has a monthly check list of an agent's field progress. This record is broken down into four sections: Work habits, prospecting, presentation, and the man's attitude toward his job. More detailed sub-topics are recorded under the general heads with check boxes to indicate satisfactory or improving work and whether or not it seems necessary for the agent to receive closer supervision from his supervisors. Finally, the check list provides space to set down any proposed action that the manager may deem necessary.

Mr. Skiff mentioned a questionnaire sent out to agents no longer in the business, asking what they had liked and disliked about selling insurance. The men were well satisfied with the companies and other agents they had come in contact with. They also thought that their basic training had been good and that they had understood the job when they went into the field. On the other hand, however, they believed that field training was incomplete, supervision bad, income too unstable and they were thoroughly dissatisfied with the difficulty of making contacts.

Mr. Skiff conducted a question and answer session following his talk.

Penn Mutual Life, said the six months to a year period decides the success of the new man; his office uses the Behr chart, filing system and weekly report system. He held that the successful men need this supervision.

Warning on Inflation

A warning against overestimating the amount of business being written today was given by Bert A. Hedges, Business Men's Assurance, Wichita, to the Oklahoma General Agents & Managers Assn. The volume of business being done by life companies today must be viewed from the standpoint of inflation, with no security as to how long it will continue, he stated. The life salesman must look at it in terms of how difficult will it be to get business when the current wave of spending comes to an end and what the depleted dollar will be able to buy in the future, he said.

Murphy S. F. Speaker

Robert E. Murphy, vice-president and agency manager of California-Western States Life, addressed the San Francisco General Agents & Managers Assn. on "The Chips Are Down," discussing new trends and conditions in the business which companies and producers must expect to meet.

William H. Hardy, West Coast Life home office agency manager, conducted the meeting, which brought out a near-capacity attendance.

Nashville Managers Elect

The General Agents & Managers Assn. of Nashville has elected Bobby Reece, Life & Casualty, president; Norris Maffett, vice-president; H. Ferrell Shipp, Fidelity Mutual, secretary. Directors are Starkey Duncan, chairman; R. B. Burch, John Anderson, E. A. Sellers and Hal Blair.

Franklin Names J. B. Morgan

Joe B. Morgan, formerly with Western & Southern, has been appointed general agent in Clinton, Ind., for Franklin Life.

R. DeWitt Harrison has been appointed Franklin representative in Sacramento. His father, Richard Harrison, is manager of the northern California division.

Discusses Guiding Principles

SEATTLE — Lloyd Harrison, Phoenix Mutual, discussed the managers' association declaration of guiding principles at the Monday luncheon. The other agency heads participated in an open forum on this subject.

POLICIES

Service Life Boosts Rates on Adjustable Whole Life

Service Life of Nebraska has increased rates for its adjustable whole life contract. This contract, which provides for the payment of an additional amount of insurance equal to the cash value, may be converted into an ordinary life policy at any time up to five years prior to life expectancy age. New annual premiums are:

Age	Pm.	Age	Pm.	Age	Pm.	Age	Pm.
15	10.51	27	13.42	39	18.55	51	31.15
16	10.62	28	13.65	40	19.65	52	32.31
17	10.92	29	14.28	41	20.20	53	33.54
18	11.05	30	14.55	42	20.69	54	34.82
19	11.18	31	14.83	43	21.20	55	37.74
20	11.54	32	15.13	44	22.70	56	39.80
21	11.70	33	15.79	45	23.43	57	41.58
22	11.86	34	16.14	46	24.18	58	43.82
23	12.30	35	16.50	47	24.91	59	47.44
24	12.47	36	17.29	48	26.90	60	51.55
25	12.67	37	17.72	49	27.85		
26	13.19	38	18.08	50	28.83		

Boston Mutual Keeps Scale

Boston Mutual Life will continue its present dividend scale for 1948, except on policies left on a paid-up basis. The company has set aside for 1948 dividends \$375,000 as compared with \$350,000 for 1947.



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FACILITIES for
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Sub-Standard — Juvenile — Retirement Income Endowment
Participating and Non-participating

WILLIAM ELLIOTT, President

B. S. BALCH, Superintendent of Agencies

PHILADELPHIA LIFE
INSURANCE COMPANY
Established 1906
PHILADELPHIA 7, PA.

NEWS OF LIFE ASSOCIATIONS

Watch Allocation of Prospecting Effort, B. N. Woodson Warns

CINCINNATI — To be successful, prospect "high, wide and continuously," B. N. Woodson, executive vice-president of Commonwealth Life, told the Cincinnati Life Underwriters Assn. There is a germ of truth in the inference that the insurance man should find the market in which he is most effective, but there is considerable danger that he may be spending 75% of his time on the age, economic or occupational group from which he is getting only 25% of his business, he asserted. The important thing is for him to find the right combination of processes and habits which will give him success as a salesman.

Warning that it is dangerous for the agent to allow the average age of his prospect group to advance with his, Mr. Woodson said, the evil thing about this practice is that the penalty is long deferred. He suggested that either one hour each day be set aside exclusively for prospecting or that one day a week, perhaps Thursday, be assigned for the job. Both a long range and a short range prospecting program are needed.

Best Group Buys Triennially

In the prospect group which is considered to be the most fertile field, that with an earning power 100 times age, the average individual will buy from 10 to 25 policies in a lifetime. In the age group 20 to 50, this means that the average person in this group will buy a

policy every three years. The average person of adult age buys once every five years. The minimum prospecting is finding at least one new prospect every working day. One out of five sold means 50 cases a year and one out of 10 sold means 25 sales.

Mr. Woodson was introduced by W. C. Thurman, Cincinnati manager of Commonwealth.

Make Fund Drive Awards

O. E. Wright, Aetna, chairman of the association's community chest team W-1, reported that the team collected \$21,588 from 1,100 persons. He awarded trophies in recognition of their teams' work during the campaign to W. L. Harrison, Aetna; B. O. Stoner, manager Connecticut General and A. E. Harris, Northwestern Mutual. J. H. Grossman, Union Central, carried off individual honors.

C. V. Anderson, Provident Mutual, on behalf of the association, presented a handsome bag to J. C. Benson, manager Union Central, for the distinction he brought Cincinnati in his election as secretary of the National association and his work as chairman of the federal laws and legislation committee of the association.

W. R. Davis, III, director of ordinary agencies of Commonwealth Life, accompanied Mr. Woodson.

Baltimore to Repeat Xmas Affair for Underprivileged

Baltimore Assn. of Life Underwriters is getting ready for its 8th annual Xmas party for underprivileged children at Baltimore hospitals. The group is accumulating letters from the youngsters on what they want from Santa Claus. These gifts will be purchased by the association along with others. Gifts are distributed at hospital parties featuring music, magicians and a Santa Claus.

George S. Robertson, executive secretary of the association, is handling details.

Richard L. Hyde, general agent Union Central Life, is chairman of the general committee; Paul E. Ansel of Monarch Life, finance chairman. Each hospital has its own chairman.

Last of Mo. Rallies Held

The last of the Missouri conferences of the National Assn. of Life Under-

Mass. Mutual Ups D.I. Limit

Massachusetts Mutual has increased its accidental death benefit maximum limit at ages 15-20 from \$10,000 to \$25,000 and at ages 21-55 from \$25,000 to \$50,000.

Holmes' Hat in Ring

GREAT FALLS, MONT.—John J. Holmes, state auditor and insurance commissioner, will be a candidate for reelection on the Democratic ticket in 1948, he announced at his home here. He has been commissioner since 1932. Last year he was nominated by the Democratic party for congressman.

Jefferson Standard Meeting

Jefferson Standard's 63 managers and general agents are to be at the home office for a three-day meeting Dec. 8-10 to learn of rate changes, values, new policy forms and other changes brought about by the shift to the C.S.O. basis Jan. 1.

Adds Group Man in Minneapolis

George C. Wright, Jr., has joined the life department of the Minneapolis office of Marsh & McLennan. He was formerly group supervisor with Travelers in Minneapolis. Mr. Wright attended the University of Minnesota and served as a B-24 pilot in the Pacific theater during the war.



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WALTER W. HEAD, Pres. St. Louis, Mo.

writers was held in Kansas City. State President J. Frank Trotter, George Maltby and Herbert A. Hedges reported on the eight previous Missouri conferences and brought to the group important information from the National association. More than 700 attended the various conferences.

Hold No. Cal. Sales Congress at San Francisco Jan. 21

The 1948 northern California sales congress is set for Jan. 21 at the Palace Hotel, San Francisco, sponsored by San Francisco Life Underwriters Assn. Murray Riskin, assistant manager of Equitable Society, is general chairman.

Owing to the lack of facilities the usual six panel sessions—three in the morning and three in the afternoon, plus two general assemblies—are being abandoned.

Among the principal speakers will be Jul B. Baumann, N.A.L.U. president, who also is addressing a luncheon meeting of the Oakland-East Bay association at Oakland Jan. 20.

The San Francisco congress will be attended by groups from all local associations in northern California and Nevada.

San Francisco—The Nov. 20 luncheon meeting brought out a larger than usual attendance to hear three newcomers in the business present their "reports" on how they have succeeded to an outstanding extent in less than two years of actual experience. They were Mrs. Ruth I. Gaiser, Crown Life; Ray E. Giorgi, Union Central, and R. A. Ketterbaugh, California-Western States Life.

All spoke informally, reciting reasons for entering life insurance, their first reactions, difficulties and some of the methods they pursued after training from their respective agencies. They gave credit to this training for developing a sound foundation for their field activities.

St. Paul—The local C.L.U. chapter sponsored the November luncheon meeting. Z. Willard Finberg, chapter president, presided. W. S. Leighton, past president Minneapolis association and recently elected national president of the American Society of C.L.U.; and Paul Dunnagan, chairman Million Dollar Round Table, were guest speakers.

Louisville—Leonard D. Dye, district manager of George Washington Life at Magnolia, Ky., spoke on his philosophy

of selling, which is that those in the life insurance business have a duty to provide security for every home.

Lancaster, Pa.—Aaron M. Royal, assistant director of employee benefit plans division of Penn Mutual Life, spoke on "Business Insurance."

Boston—Robert E. Olmsted, general agent of Mutual Benefit Life at Providence, R. I., will speak Dec. 4 on "Fundamentals of Business Life Insurance."

Wisconsin Rapids, Wis.—Life men from this city, Stevens Point and Marshfield met here to organize the Central Wisconsin association. Roman M. Vetter, Continental Assurance, Madison, first vice-president and chairman of the extension committee of Wisconsin association, presided. Temporary officers selected are Dwight Teas, Wisconsin Rapids, chairman; Albert Schell, Stevens Point, secretary. Additional agents will be contacted and invited to participate in the formal organization meeting Dec. 12.

Eau Claire, Wis.—Twenty members of the Chippewa Valley association volunteered to form a special group for the "clean up" solicitation in the local Community Chest campaign to reach the goal set.

Parsons, Kan.—Wallace Gutheridge, superintendent of the Parsons schools, talked on the extent to which insurance is taught in the local school system. Plans for the expansion of this insurance education were briefly discussed. Tom Conroy, vice-president, presided in the absence of President Harry Ireland.

Kansas City—Frank M. See, general agent New England Mutual, St. Louis, spoke on "The Golden Era for the Life Underwriter." Qualification cards for the Women's Quarter Million Dollar Round Table were passed out to nine. They represent one-third of the total membership of the women's division in Kansas City.

Washington—John D. Marsh, Lincoln National, has been named national committee man.

Decatur, Ill.—R. R. Reno, agency manager of Equitable Society in Chicago, will be the principal speaker at the annual dinner party Dec. 18.

Hickory, N. C.—C. Gerald Moore, manager here of Occidental Life of Raleigh, spoke on "The Advantage of Being a Member of Our Underwriters Association."

Lincoln, Neb.—Adoption of the Guertin laws in and of itself has little to do with changes in life insurance premium rates. E. Forrest Estes, associate actuary of Bankers Life of Nebraska, declared. He said the new setup is merely a yardstick for the use of the insurance

department in determining that a life company be legally regarded as solvent.

Oklahoma City—A capacity crowd assembled to hear Quan Lun Ching, million dollar producer of Prudential in Hawaii, discuss his methods of production.

Nashville—Charles J. Currie, Mutual Life, Atlanta, trustee of N. A. L. U., addressed the November meeting.

Jackson—G. Thomas McElwath, New York Life, Memphis, spoke on "The Annuity Plan of Saving Money."

Burlington, N. C.—John Pace has been elected president to succeed J. G. Barham, who tendered his resignation due to a promotion as traveling inspector with his company.

Seattle—The future of the chartered life underwriter movement was discussed by Robert G. Jones and Paul A. Wallace.

FRATERNALS

Miss Walker Rises to Secretary; Miss Barthel Retires

Miss Erna M. Barthel will retire Dec. 1 as supreme recorder of Royal Neighbors, Rock Island, Ill., after about 40



Erna M. Barthel



Margaret Walker

years' service with the society. She will be succeeded by Miss Margaret Walker, actuary.

Miss Barthel's fraternal business career parallels one of the most progressive and active periods in the development of legal reserve fraternal life insurance, to which she has made many noteworthy contributions. On the advice of her physician, she is relinquishing her duties in the post which she has held for 22 years.

When Miss Barthel's resignation was accepted by the executive council, Mrs. Grace W. McCurdy, who is head of the society, declared: "The retirement is a great loss to the society and fraternalism." The executive council adopted a resolution of commendation of Miss Barthel.

With Society 39 Years

Miss Barthel's service covers all but about 12 years of the society's history. She saw Royal Neighbors grow from a mere handful of employees to approximately 275. She was born in Davenport and rose from the ranks in Royal Neighbors, starting as a stenographer in 1908. In 1911 she was appointed chief of the general correspondence and stenographic department, from 1915 to 1921 was secretary and assistant to the supreme recorder, then in 1921 was appointed deputy supreme recorder. She became supreme recorder in 1925.

She has been active in the National Fraternal Congress and was president of the secretaries' section in 1937-1938 and for a long time was the section's secretary-treasurer.

Miss Walker's Experience

Miss Walker has had 26 years' life insurance experience and has been the society actuary since May 1, 1946.

She went with Royal Neighbors after 22 years in the actuarial department of Lincoln National Life, rising to assistant actuary.

She started in life insurance with Central Life of Iowa after graduation from University of Illinois, where she earned the Phi Beta Kappa key and received

her master's degree. For a year she taught mathematics at University of Iowa. She is a fellow of American Institute of Actuaries and Actuarial Society of America.

She is a member of the council of the Fraternal Actuarial Assn., a group affiliated with the National Fraternal Congress.

Eibeck Elected President of Pa. Congress

John Eibeck of Catholic Knights of St. George was elected president of the Pennsylvania Fraternal Congress at the annual convention held in Reading, succeeding C. F. Wilmeth, fiscal director Junior Order United American Mechanics, Philadelphia. First vice-president Stephen M. Tkatch, president Great Catholic Union, Munhall; second vice-president M. F. Loughner, president Mutual Beneficial Assn. of Pennsylvania Railroad Employees, Philadelphia; secretary-treasurer Miss Louise Patricia Woodmen Circle, Philadelphia.

The executive committee consists of C. F. Wilmeth; V. S. Platek, president National Slovak Society, Pittsburgh; Ralph C. Dare, secretary Artisans Order of Mutual Protection, Philadelphia; Peter Smey, secretary Russian Brotherhood, Philadelphia; A. S. Bradshaw, Ben Hur Life; Ruby Jelinek, secretary Zivena Beneficial, Pittsburgh; Coloman Revesz, secretary Verhovay Fraternal Pittsburgh; Joseph Spencer, field director Protected Home Circle, Sharon, and Melania Lukasik, Union of Polish Women.

This was a two-day gathering. The first day greetings were extended by various congresses and talks were made by O. A. Kottler, deputy commissioner, Philadelphia, on "Fraternal Problems and the Insurance Department"; De E. Bradshaw, chairman Woodmen of the World, Omaha, on "Romance in Fraternal Societies"; Homer W. Teamer, secretary-manager Pennsylvania Insurance Federation, on "Insurance Trends"; Ro-

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and R. Randall, Philadelphia realtor, on "Real Estate as an Investment," and Harry J. Dodgson, editor "Fraternal Monitor," on "Why I Quit Goin' to Lodge." At the banquet Arthur H. James gave an address.

Talks were made the second day by Walter Basye, editor "Fraternal Age," on "Secrecy in the Fraternal Lodge"; T. W. Midkiff, president W.O.W., Denver, new N.F.C. president, on "The Power and Influence of Fraternity." Mr. Midkiff also installed the new officers.

Ill. Congress Sets Dates

A local lodge clinic will be a feature of the annual meeting of the Illinois Fraternal Congress to be held Feb. 20-21 in the Morrison hotel, Chicago. There will be special demonstrations in the clinic, which will be held the first day, and methods employed in various organizations will be told.

The annual Washington's birthday luncheon is scheduled for the second noon. Fred A. Johnson, head of Royal League, is congress president and is preparing the program.

Tennessee Congress Elects

NASHVILLE—J. L. O'Guinn, Nashville, Woodmen of the World, was elected president of the Tennessee Fraternal Congress at its annual meeting here; Mrs. Fannie Grayshot, Memphis, Woman's Benefit, was elected vice-president.

Mrs. Peck Named District Head

Mrs. Beulah Peck of Lincoln grove, was named district president at the Woodmen Circle district convention held in Omaha.

CHICAGO

CORRECTION AS TO MACNAMEE

In a recent article published in THE NATIONAL UNDERWRITER regarding M. W. MacNamee, general agent of National Life of Vermont at Chicago, there were some inaccuracies. He was discharged from the service Feb. 18, 1946. Previous to his going into the service, he was an agent of Equitable Society in the Samuel Lustgarten agency at Chicago.

On his return, he started with National Life as an agent March 1, 1946. A. C. Bowser who had been general agent of National Life suffered a heart attack March 6, 1947. Mr. MacNamee was appointed acting general agent. It was felt at that time that Mr. Bowser would recover sufficiently to return to his position. It became apparent after some weeks that his condition would not permit him to return to the company. Therefore, it was decided that he would retire and Mr. MacNamee should succeed him and the latter was appointed general agent Oct. 1, 1947.

Very fortunately, the agency suffered no set-back on account of Mr. Bowser's illness and, in fact, ranked fifth in the country. The organization that he had built continued to operate and functioned as it had in the past. Therefore, when Mr. MacNamee took charge he found it in excellent shape and needed no re-vamping. H. F. Johnson was brokerage manager and continued in that position. W. T. Pedersen was appointed agency supervisor by Mr. MacNamee Oct. 1.

SUPERVISORS ELECT SLATE

Officers elected at a luncheon of Life Agency Supervisors Club of Chicago are A. J. Kirchberg, Connecticut General, president; Arthur Johnson, Stumes & Loeb agency of Penn Mutual, vice-president, and Frank G. Lotito, Kent agency of Prudential, secretary-treasurer.

Members of the board are M. J. Keller, Alexander & Co. agency of Penn Mutual, retiring president; Joseph Osten, Connecticut General and E. J. Herrick, Continental Assurance.

Carl E. Lindstrom, Travelers, reported as chairman of the nominating committee which also included Victor Larson, Berkshire, and Don Alford, Van Goldman agency of Prudential.

Speaker was Roland D. Hinkle, assistant manager of the Reno agency of Equitable Society, and immediate past national C.L.U. president. He termed paradoxical the cry being raised in some quarters by agents objecting to the dismissal of their fellows who fail to meet minimum company requirements. Those who are objecting have worked for stricter standards of professionalism among agents, he said, and indicated that company minimums are usually so ridiculously low in this day of good sales that the discharge of a few agents who cannot make these quotas is actually to the benefit of improving the quality of agents as a whole. He declared that all fancy schemes designed to boost the quality of agents come to naught unless they are backed by intelligent administration on the part of managers and supervisors. He told of the experience of one company in cutting off all of its agents in one territory who were obviously not fitted for the work. Within a short time 30% of these misfits were back in the business again with other companies.

U. S. LIFE MOVES OFFICE

Joseph G. Orr, manager of United States Life in Chicago, has moved into new and completely modernized quarters at 208 South La Salle Street. This office will be maintained in conjunction with a branch of American International Underwriters, world-wide general insurance management group, which will open in January with William Niedecker as manager.

HALDEMAN ADDRESSES COUNCIL

Warner F. Haldeman, counsel of Penn Mutual at the home office, will speak Dec. 9 at a meeting of the Chicago Life Insurance & Trust Council on "A Will for Your Business." He has had 20 years' experience in the tax and federal legislation field as a member of the legal department of Penn Mutual. W. N. Hiller of the Stumes & Loeb agency of Penn Mutual is program chairman.

RECORDS

BANKERS LIFE, IA.—October sales totaled \$23,012,326, of which \$10,890,326 was ordinary; an increase of more than \$9,500,000. For the first 10 months paid-for amounted to \$137,255,700, an increase of more than \$16,750,000. Sales of ordinary insurance for the first 10 months reached \$107,368,261, an increase of more than \$3,330,000. In-force Oct. 31 stood at \$1,249,123,971, an increase for the year to date of more than \$101 million.

MASSACHUSETTS MUTUAL—October business was \$35,500,674, the largest month in the company's history. The previous high of \$35,298,322 was in December, 1929. Total of policies placed for the first 10 months was \$228,763,816, a gain of \$30,441,730. Life insurance issued in October was \$52,314,498, an increase of \$27,307,159.

CONNECTICUT MUTUAL—Paid for \$29,607,947 in October, a record, 43% better than its largest previous month, April, 1946. Business for the first 10 months was \$192,470,832, up 8.9%.

Prudential Official Answers Critics

(CONTINUED FROM PAGE 1)

by one or more employers in the same industry or to a trade or business association engaged in the same industry. Where this can be done it is possible to cover both the union members and the white collar members under the same policy.

Where there is no trade or business association or where the insurance laws do not permit issuance of a policy to the trustees of a fund, it is possible, in most states, to write a policy directly on the union, covering only those employees for whom employers are paying money for group insurance into a trust fund. Under the Taft-Hartley act this is still possible, as the policy may be written to the union and then assigned to a trust fund including employer members. Where collective bargaining for

group benefits exists it is generally industry-wide in a locality, so that it is essential that some method be found of covering the small employers. Prudential regards this as very natural, because if group insurance is desirable in the case of an employee who works for a large firm, it is just as desirable from a social standpoint in the case of an employee who works for a small firm. The only question is how can the insurer manage to cover these employees of small firms, because if it doesn't the whole business is likely to be self-insured.

Contract Relationship Groups

Taking up criticisms of the provision in the insurance laws of many states permitting contract relationship groups, he said that under the New Jersey law, for example, a group policy may cover "the employees of subsidiary or affiliated corporations of a corporation policyholder and the individual proprietors, partners and employees of affiliated individuals and firms controlled by the policyholder through stock ownership, contract or otherwise."

The most pertinent example of a contract relationship group, he said, is the group insurance Prudential agents have, for under the present law they are technically not employees. If the group definition were limited to a strict interpretation of employer-employee relationship, it would be impossible for Prudential to

provide group welfare programs for agents. At present it has a 93% participation under group life insurance covering agents, he said, which shows how much the agents appreciate the benefits. It has 100% under the pension plan and 88% under the group hospital and surgical plan. The same condition probably obtains in the case of the agents of most other life companies.

"Why you people should be deprived of the benefits of a group program which you certainly appreciate, judging by the enrollment percentage, doesn't make sense to me," he said.

ASSOCIATION GROUPS

As to association groups, which have been the subject of considerable criticism, Mr. Whittaker said that so far this year Prudential has written group policies on the automobile associations of six states under the association or trusteeship sections of the law. All but one have been on a noncontributory basis, the individual dealer paying the entire cost. Maximum coverage on each life has been \$5,000. Prudential has written a considerable volume of business of this type.

"While I don't have all the figures, I would say that we are taking adequate care of the employees of the small dealers who could not otherwise obtain group

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 THE BOURSE PHILADELPHIA

insurance," said Mr. Whittaker. Prudential is completing the enrollment under the Pennsylvania association, and has about 6,000 lives reported so far. The average employer in this group has about 10 employees.

"We think that by furnishing this type of business and giving the employees of small employers the same break that employees of large employers get, we are performing a real social service," he said.

Must Meet Standards

Association groups must comply with sound underwriting standards, with a reasonably large number of lives to avoid adverse medical selection. There must be a strong association which has frequent contact with its members and can get the money from the individual dealers so that the premium can be paid in one sum to Prudential. In all these association groups it has provided for

reduction or termination of insurance at retirement so as to prevent the cost from increasing beyond reason. As it is obviously not sound underwriting Prudential does not write groups formed of professional men only without their employees, he said.

Mr. Whittaker said another very important reason why it is desirable to cover the employees of small employers who cannot be covered economically under a single policy is to avoid the Rhode Island type of cash sickness law, a state monopoly which has driven private group sickness and accident insurance off the books. Mr. Whittaker anticipates that cash sickness laws will become quite general in the near future and feels that the better the job private industry can do the more chance there is of private insurance remaining in the picture as in California, instead of being frozen out as under the Rhode Island plan.

Illinois Association Confab Interesting

(CONTINUED FROM PAGE 1)

gain of about 230 was recorded, making total 3,815, or only 185 short of the 4,000 by Dec. 31 goal, which he expects to be exceeded.

Discussion of attendance brought showing of a yearbook of the Hutchinson, Kan., association which lists speakers and subjects for the remainder of 1947 and through June, 1948. J. N. Henneberry of Springfield told how a turnout at meetings is secured. A fellowship committee has been formed in the Eastern Illinois group to secure attendance.

Mr. Moynahan said four of the larger Illinois locals have included in their dues the cost of 10 luncheons annually, and so excellent attendance is recorded. Other groups employ drawings, door prizes, prizes of subscriptions to insurance magazines, etc. Mr. Moynahan suggested use of the Rotary principle of a large badge worn at luncheons.

Alternating speakers between ordinary and industrial men also was urged. Use of telephone to remind members before meetings increases attendance 30%, Mr. Schwemm stated. Chester T. Wardwell, Connecticut Mutual, Peoria, second vice-president state association, said at Rockford many important speakers from various parts of the U. S. have been secured, which draws good attendance.

A stag affair is a splendid fellowship builder, Mr. Moynahan said. Many program difficulties are due to lack of planning, according to Mr. Schwemm.

On the matter of leadership, in a talk at the banquet, Mr. Schwemm declared it is very important to use care in selecting officers. Much time should be spent on this task by the nominating committee. Every director should be selected for his potentialities as an officer, even as president. Selection cannot be done conscientiously in a half hour.

Need Better Contacts

Mr. Schwemm said there was a great lack of direct contact of local men with the state organization, so that many do not know what is going on. He feels the state association will be better appreciated when individual members come to realize they have a strong, active state association. The Illinois organization did a lot of fine legislative work this year, he reported.

Mr. Schwemm reported a balance of \$1,562 in the state treasury after setting aside \$1,000 for emergencies. He said there is much work to do and work of the executive office is growing steadily, so the relatively low income of \$3,600 (\$1 per member—the remainder of the dues going to N.A.L.U.) is scarcely adequate.

As a result of this situation, directors adopted a resolution creating "sustaining memberships" of \$10, and a letter will be sent to leading members soon urging that they secure one of these memberships on a purely voluntary basis. There was no thought, it was said, that these should be annual memberships, nor any intention to dun mem-

local life insurance people and even

Unusual Rockford Plan

There was some comment on the plan operating in Rockford, under which life insurance classes, including C.L.U.s, were set up and are supported about 70% by the state department of public instruction under its adult education program. Classes are for two hours each and 32 classes were held in the last year. In the C.L.U. course, for which tuition fee is \$25, students were paid a dividend or refund of \$6.50, so net cost including all text books was but \$18.50 per student.

Joy M. Luidens, executive secretary Chicago association, noted a number of retired life men there are active members, pay their dues and do much association work. The honorary membership plan was tried at one time but discontinued.

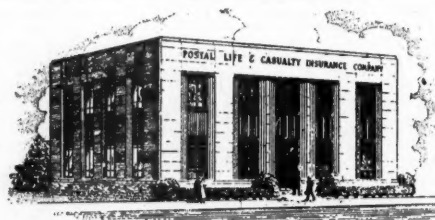
A poll of locals at the state conference showed the dues for agents, including N.A.L.U. portion, varies from \$6 to \$12 with \$6 up to \$75 dues for affiliate general agents and managers.

Sound Finances Essential

Association strength rests on sound ample finances, Mr. Moynahan warned, and failure to charge enough dues may result in failure of a local. Activities require financing, and lack of interesting programs due to low funds may result in agents not joining even at the minimum rate. Mr. Moynahan said they become members not because the price is cheap but for the association activities. Most Illinois locals, it developed, do not have ample reserve funds, for the poll of finances showed balances as low as \$16.

Mr. Bauman reported on the Chicago conference on mass selling of life insurance. Sometime in December, he said, there will be another such conference with company and organization executives in New York city. Serious thought is being given to this problem by all interests, he concluded.

Dr. Robert Mehr, new director of the insurance courses at University of Illinois was chief speaker at the state association banquet, telling his plans for the courses. Insurance Director Parkinson spoke briefly and James Ross of his department was introduced.



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outstanding underwriter who is setting a
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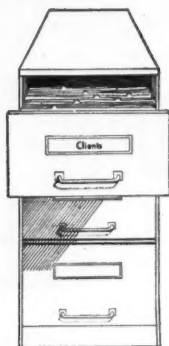
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